

Hearing Date: TBD
Objection Deadline: TBD

Dennis F. Dunne
Dennis C. O'Donnell
Evan R. Fleck
MILBANK, TWEED, HADLEY & M^cCLOY LLP
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Counsel for Official Committee of Unsecured
Creditors of Lehman Brothers Holdings Inc., et al.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:	:	Chapter 11 Case No.
	:	
LEHMAN BROTHERS HOLDINGS INC., <u>et al.</u> ,	:	08-13555 (JMP)
	:	
Debtors.	:	(Jointly Administered)
	:	
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**SIXTH APPLICATION OF MILBANK, TWEED, HADLEY & M^cCLOY LLP,
COUNSEL TO OFFICIAL COMMITTEE OF UNSECURED CREDITORS, FOR
INTERIM APPROVAL AND ALLOWANCE OF COMPENSATION FOR SERVICES
RENDERED AND FOR REIMBURSEMENT OF EXPENSES DURING PERIOD FROM
JUNE 1, 2010 THROUGH AND INCLUDING SEPTEMBER 30, 2010**

Name of Applicant:	<u>Milbank, Tweed, Hadley & M^cCloy LLP</u>
Authorized to Provide Professional Services to:	<u>Official Committee of Unsecured Creditors</u>
Date of Retention:	<u>November 18, 2008 (effective as of September 17, 2008)</u>
Period for which compensation and reimbursement is sought:	<u>June 1, 2010 – September 30, 2010</u>

Amount of Compensation
requested:

\$18,359,367.75

Amount of Expense
Reimbursement requested:

\$792,924.64

This is an: X interim final application.

This is the sixth interim fee application filed by Milbank, Tweed, Hadley & McCloy LLP in these cases.

**SIXTH INTERIM FEE APPLICATION OF MILBANK, TWEED,
HADLEY & McCLOY LLP: AS COUNSEL TO THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS OF LEHMAN BROTHERS HOLDINGS INC., ET AL.
(JUNE 1, 2010 – SEPTEMBER 30, 2010)**

Name	Position; Experience	Hourly Rate	Total Hours	Total Compensation
Paul Aronzon	Financial Restructuring Partner for 20 years; admitted in 1979.	\$1,050	36.80	\$38,640.00
Dennis Dunne	Financial Restructuring Partner for 12 years; admitted in 1991.	\$1,050	303.00	\$318,150.00
Linda Dakin-Grimm	Litigation Partner for 9 years; admitted in 1985.	\$1,025	3.00	\$3,075.00
Trayton Davis	Alternative Investments Partner for 21 years, admitted in 1981.	\$1,025	22.20	\$22,755.00
Jay Grushkin	Alternative Investments Partner for 21 years, admitted in 1982.	\$1,025	5.90	\$6,047.50
Michael Hirschfeld	Litigation Partner for 28 years; admitted in 1974.	\$1,025	26.00	\$26,650.00
Rainer Magold	Leveraged Finance Partner for 5 years; admitted in 1986.	\$1,025	2.80	\$2,870.00
Marcelo Mottes	Global Securities Partner for 11 years; admitted in 1995.	\$1,025	104.80	\$107,420.00
Andrew Tomback	Litigation Partner for 13 years; admitted in 1987.	\$1,025	422.20	\$432,755.00
Elizabeth Besio Hardin	Global Finance Partner for 13 years; admitted in 1996.	\$975	36.70	\$35,782.50
Nicholas James Angel	Financial Restructuring Partner for 2 years; admitted in 1986.	\$950	126.20	\$119,890.00
Peter Benudiz	Global Corporate Partner for 17 years; admitted in 1987.	\$950 \$475*	67.10	\$63,745.00
David Cohen	Litigation Partner for 8 years; admitted in 1994.	\$950 \$475*	606.90 65.60	\$576,555.00 \$31,160.00
Dale Ponikvar	Tax Partner for 20 years; admitted in 1981.	\$950 \$475	417.30 7.90	\$396,435.00 \$3,752.50
Michael Bellucci	Global Leveraged Finance Partner for 9 years; admitted in 1994.	\$925	8.10	\$7,492.50
Wilbur Foster Jr	Financial Restructuring Partner for 19 years; admitted in 1982.	\$925	765.10	\$707,717.50
David Lamb	Global Corporate Partner for 20 years; admitted in 1992.	\$925 \$462.5*	111.70	\$103,322.50

Eric Moser	Global Finance Partner for 11 years; admitted in 1991.	\$925	114.50	\$105,912.50
Andrew Walker	Tax Partner for 7 years; admitted in 1995.	\$925	25.50	\$23,587.50
Paul Wessel	Tax Partner for 14 years; admitted in 1988.	\$925	38.80	\$35,890.00
Winthrop Brown	Global Finance Partner for 27 years; admitted in 1975.	\$900	13.40	\$12,060.00
Alberta A. Pisa	Global Finance Partner for 5 years; admitted in 1997.	\$900	44.70	\$40,230.00
Stacey J. Rappaport	Litigation Partner for 6 years; admitted in 1997.	\$875	2.10	\$1,837.50
James Warbey	Global Finance Partner for 5 years; admitted in 1996.	\$875	395.80	\$346,325.00
Thomas Ingenhoven	Global Leveraged finance Partner for 3 years; admitted in 2001.	\$825	3.70	\$3,052.50
Russell Kestenbaum	Tax Partner for 3 years; admitted in 1999.	\$825	72.10	\$59,482.50
Paul Denaro	Global Securities Partner for 2 years; admitted in 2000.	\$800	181.20	\$144,960.00
Martin Erhardt	Global Corporate Partner for 2 years; admitted in 2000.	\$800	13.90	\$11,120.00
Evan R. Fleck	Financial Restructuring Partner for 11 months; admitted in 2002.	\$750 \$375*	892.70 33.30	\$669,525.00 \$12,487.50
Thomas Kleinheisterkamp	Tax Partner for 11 months; admitted in 2003.	\$750	8.50	\$6,375.00
Robert Liubicic	Litigation Partner for 11 months; admitted in 1999.	\$750	8.60	\$6,450.00
Bruce Todd Gardner	Real Estate Of Counsel for 11 years; admitted in 1978.	\$870	7.40	\$6,438.00
Risa Rosenberg	Financial Restructuring Of Counsel for 8 years; admitted in 1984.	\$850	93.40	\$79,390.00
Dennis O'Donnell	Financial Restructuring Of Counsel for 3 years; admitted in 1992.	\$810 \$405*	995.50 3.90	\$806,355.00 \$1,579.50
Richard Rosberger	Litigation Of Counsel for 3 years; admitted in 1994.	\$750	217.20	\$162,900.00
David Sieradzki	Litigation Associate for 15 years; admitted in 1996.	\$720	66.40	\$47,808.00

Drew Batkin	Tax Associate for 8 years; admitted in 2003.	\$695 \$347.5*	467.20 3.0	\$324,704.00 \$1,042.50
Andrew Beirne	Litigation Associate for 14 years; admitted in 1996.	\$695	22.50	\$15,637.50
Lisa Brabant	Real Estate Associate for 12 years; admitted in 1999.	\$695	26.70	\$18,556.50
David S. Gasperow	Global Securities Associate for 5 years; admitted in 2002.	\$695	32.90	\$22,865.50
Robert C. Hora	Litigation Associate for 5 years; admitted in 2003.	\$695	9.20	\$6,394.00
Aaron Renenger	Litigation Associate for 8 years; admitted in 2002.	\$695	312.30	\$217,048.50
Steven Szanzer	Financial Restructuring Associate for 10 years; admitted in 2001.	\$695	143.60	\$99,802.00
Stephen Tudway	Litigation Associate for 12 years; admitted in 1998.	\$695	77.70	\$54,001.50
Marl Withey	Global Corporate Associate.	\$695	32.40	\$22,518.00
Lena Mandel	Senior Attorney; admitted in 1991.	\$685	290.20	\$198,787.00
Adrian Azer	Litigation Associate for 7 years; admitted in 2003.	\$675 \$337.5*	725.90 19.20	\$489,982.50 \$6,480.00
Irene Bogdashevsky	Financial Restructuring Associate for 7 years; admitted in 2004.	\$675	50.30	\$33,952.50
Alistair F. Hill	Global Leveraged Finance Associate for 7 years; admitted in 2003.	\$675	38	\$25,650.00
Samuel A. Khalil	Financial Restructuring Associate for 7 years; admitted in 2004.	\$675	2.80	\$1,890.00
Erika Kuver-Del Duca	Real Estate Associate for 7 years; admitted in 2004.	\$675	22.20	\$14,985.00
Neda Matar	Global Finance Associate for 7 years; admitted in 2004.	\$675	37.60	\$25,380.00
Brian Stern	Global Corporate Associate for 7 years; admitted in 2003.	\$675	16.50	\$11,137.50
Daniel De Souza	Litigation Associate for 6 years; admitted in 2005.	\$650	93.30	\$60,645.00
Peter Devonshire	Global Finance Associate for 6 years; admitted in 2007.	\$650	13	\$8,450.00
Grace Gilligan	Litigation Associate for 6 years; admitted in 2005.	\$650	216.80	\$140,920.00
Peter Newman	Financial Restructuring Associate for 6 years; admitted in 2005.	\$650	51.10	\$33,215.00

Maximilian Schneider	Global Leveraged Finance Associate for 6 years; admitted in 2005.	\$650	77.60	\$50,440.00
Melanie Westover	Litigation Associate for 6 years; admitted in 2005.	\$650	3.50	\$2,275.00
Anh-Duc Cordalis	Global Leveraged Fnanace Associate for 5 years.	\$625	2.80	\$1,750.00
Karen Gartenberg	Financial Restructuring Associate for 5 years; admitted in 2006.	\$625	105.70	\$66,062.50
Patrick Marecki	Litigation Associate for 5 years; admitted in 2006.	\$625	141.30	\$88,312.50
Dana Roitberg Weir	Litigation Associate for 5 years; admitted in 2006.	\$625	122.60	\$76,625.00
John White	Litigation Associate for 5 years; admitted in 2006.	\$625	509.50	\$318,437.50
Simon Williams	Global Finance Associate for 5 years; admitted in 2008.	\$625	163.70	\$102,312.50
Merih O Altay	Global Corporate Associate for 4 years; admitted in 2006.	\$600	11.20	\$6,720.00
Nicholas Bassett	Litigation Associate for 4 years; admitted in 2007.	\$600 \$300*	320.80 6.10	\$192,480.00 \$1,830.00
Jonathan Brown	Global Finance Associate for 4 years; admitted in 2007.	\$600	2.20	\$1,320.00
Melissa Ann Clark	Global Corporate Associate for 4 years; admitted in 2006.	\$600	49.40	\$29,640.00
James Harris	Financial Restructuring Associate for 4 years; admitted in 2008.	\$600	145.40	\$87,240.00
Emma Hogwood	Litigation Associate for 4 years; admitted in 2006.	\$600	69.90	\$41,940.00
Jeremy C. Hollembeak	Financial Restructuring Associate for 4 years; admitted in 2007.	\$600	180.50	\$108,300.00
Aluyah Imoisili	Litigation Associate for 4 years; admitted in 2006.	\$600	96.50	\$57,900.00
Jeffrey W. Lesovitz	Litigation Associate for 4 years; admitted in 2007.	\$600	276.50	\$165,900.00
Gabriel Mpubani	Global Corporate Finance Associate for 4 years; admitted in 2006.	\$600	28.50	\$17,100.00
Mary Santanello	Alternative Investments Associate for 4 years; admitted in 2007.	\$600 \$300*	11.10	\$6,660.00
Stephanie Sklar	Real Estate Associate for 4 years; admitted in 2007.	\$600	40	\$24,000.00

Jeremy Sussman	Financial Restructuring Associate for 4 years; admitted in 2007.	\$600	29.40	\$17,640.00
Wendy Williams	Global Securities Associate for 4 years; admitted in 2007.	\$600	15.10	\$9,060.00
Constance Beverley	Litigation Associate for 3 years; admitted in 2008.	\$575 \$287.5*	239.80 13.50	\$137,885.00 \$3,881.25
Gina Stabile	Alternative Investments Associate for 3 years; admitted in 2008.	\$575	2.00	\$1,150.00
Brianne Copp	Litigation Associate for 3 years; admitted in 2008.	\$575	109.40	\$62,905.00
Dawn Harding	Global Transportation and Space Finance Associate for 3 years.	\$575	79.50	\$45,712.50
Curtis Johnson	Litigation Associate for 3 years; admitted in 2008.	\$575	47.80	\$27,485.00
Michael Lee	Global Securities Associate for 3 years; admitted in 2008.	\$575	200.60	\$115,345.00
Nicole Leyton	Tax Associate for 3 years; admitted in 2008.	\$575	18.40	\$10,580.00
Michael Lynch	Global Corporate Associate for 3 years; admitted in 2007.	\$575	426.60	\$245,295.00
Melanie Ann McLaughlin	Financial Restructuring Associate for 3 years; admitted in 2008.	\$575	86.60	\$49,795.00
William J. McNamara	Litigation Associate for 3 years; admitted in 2008.	\$575	106.80	\$61,410.00
Gregory Papeika	Financial Restructuring Associate for 3 years; admitted in 2008.	\$575	299.20	\$172,040.00
Sangyoon Nathan Park	Litigation Associate for 3 years; admitted in 2008.	\$575 \$287.5*	326.30 6.00	\$187,622.50 \$1,725.00
Charles Rubio	Financial Restructuring Associate for 3 years; admitted in 2008.	\$575	158.40	\$91,080.00
Mikhel Schecter	Alternative Investments Associate for 3 years; admitted in 2008.	\$575	6.20	\$3,565.00
Andrew Sullivan	Global Securities Associate for 3 years; admitted in 2008.	\$575	151.80	\$87,285.00
Jennie Woltz	Litigation Associate for 3 years; admitted in 2008.	\$575	147.30	\$84,697.50
Andrew Young	Financial Restructuring Associate for 3 years; admitted in 2006.	\$575	458.00	\$263,350.00

Jeeseon Ahn	Global Alternative Investments Associate for 2 years; admitted in 2009.	\$525	29.90	\$15,697.50
Sonja Andersen	Global Transportation and Space Finance Associate for 2 years; admitted in 2009.	\$525	9.20	\$4,830.00
Michael Applebaum	Tax Associate for 2 years; admitted in 2009.	\$525	13.50	\$7,087.50
Kurt Avarell	Tax Associate for 2 years; admitted in 2009.	\$525	92.60	\$48,615.00
Jennifer Beaudry	Global Securities Associate for 2 years; admitted in 2009.	\$525	21.80	\$11,445.00
La Tonya D. Brooks	Litigation Associate for 2 years; admitted in 2009.	\$525	157.20	\$82,530.00
Adlin Castro	Global Securities Associate for 2 years; admitted in 2009.	\$525	15.70	\$8,242.50
Ateesh Chanda	Litigation Associate for 2 years; admitted in 2009.	\$525	160.90	\$84,472.50
Wayne Ren Chang	Litigation Associate for 2 years; admitted in 2009.	\$525	30.30	\$15,907.50
Michael Clarke	Global Finance Associate for 2 years; admitted in 2009.	\$525	56.70	\$29,767.50
Julie Constantinides	Global Corporate Associate for 2 years; admitted in 2009.	\$525	33.80	\$17,745.00
Erin Culbertson	Litigation Associate for 2 years; admitted in 2009.	\$525 \$262.5*	310.00 5.20	\$162,750.00 \$1,365.00
Nicole Fidler	Litigation Associate for 2 years; admitted in 2009.	\$525	235.60	\$123,690.00
Derek Gluckman	Global Transportation and Space Finance Associate for 2 years; admitted in 2009.	\$525	7.90	\$4,147.50
Joanna L. Grossman	Tax Associate for 2 years; admitted in 2009.	\$525	18.50	\$9,712.50
Christopher Hower	Litigation Associate for 2 years; admitted in 2009.	\$525	30.70	\$16,117.50
Jared Joyce-Schleimer	Financial Restructuring Associate for 2 years; admitted in 2009.	\$525	581.80	\$305,445.00
Alexander Klein	Global Leveraged Finance Associate for 2 years; admitted in 2009.	\$525	63.10	\$33,127.50
Marianna Kosharovsky	Global Securities Associate for 2 years; admitted in 2009.	\$525	139.00	\$72,975.00
Karin Kringen	Global Securities Associate for 2 years; admitted in 2009.	\$525	18.50	\$9,712.50

Konata Lake	Global Leveraged Finance Associate for 2 years; admitted in 2009.	\$525	2.90	\$1,522.50
Brian Lee	Global Finance Associate for 2 years; admitted in 2009.	\$525	24.40	\$12,810.00
Roger Lee	Financial Restructuring Associate for 2 years; admitted in 2009.	\$525	77.10	\$40,477.50
Ulric Lewen	Global Securities Associate for 2 years; admitted in 2009.	\$525	60.50	\$31,762.50
Andrea McNamara	Financial Restructuring Associate for Associate for 2 years; admitted in 2009.	\$525	550.20	\$288,855.00
Jan Nishizawa	Global Corporate Associate for 2 years; admitted in 2009.	\$525 \$262.5*	4.00	\$2,100.00
Hannibal Oezdemir	Global Corporate Associate for 2 years.	\$525	14.20	\$7,455.00
Tanja L. Olano	Global Corporate Associate for 2 years; admitted in 2009.	\$525	30.10	\$15,802.50
Rachel Pojunas	Litigation Associate for 2 years; admitted in 2009.	\$525	\$192.70	\$101,167.50
Brendan Riley	Litigation Associate for 2 years; admitted in 2009.	\$525	510.90	\$268,222.50
Joanne Robertson	Global Finance Associate for 2 years; admitted in 2009.	\$525	151.30	\$79,432.50
Stephen Rose	Global Securities Associate for 2 years; admitted in 2009.	\$525	19.20	\$10,080.00
Thomas Santoro	Litigation Associate for 2 years; admitted in 2009.	\$525	160.80	\$84,420.00
Jeremy Steckel	Global Securities Associate for 2 years; admitted in 2009.	\$525	116.80	\$61,320.00
Stephanie Swanson	Global Securities Associate for 2 years; admitted in 2009.	\$525	138.90	\$72,922.50
Armando Acosta III	Litigation Associate for 11 months; admitted in 2010.	\$450	192.40	\$86,580.00
Brittany Akins	Litigation Associate for 11 months; admitted in 2010.	\$450	730.80	\$328,860.00
Thallen Brassel	Tax Associate for 11 months; admitted in 2010.	\$450	519.20	\$233,640.00
Deana Brown	Financial Restructuring Associate for 11 months; admitted in 2010.	\$450 \$225*	0.90 2.20	\$405.00 \$495.00
John Calabrese	Litigation Associate for 11 months; admitted in 2010.	\$450	477.70	\$214,965.00
Ginni Chen	Litigation Associate for 11 months; admitted in 2010.	\$450	413.10	\$185,895.00

Philippe Danielides	Global Transportation and Space Finance Associate for 11 months; admitted in 2010.	\$450	62.90	\$28,305.00
Victoria Farren	Alternative Investments Associate for 11 months; admitted in 2010.	\$450	78.40	\$35,280.00
Bradley Friedman	Financial Restructuring Associate for 11 months; admitted in 2010.	\$450	588.50	\$264,825.00
Meghan Gabriel	Global Corporate Associate for 11 months; admitted in 2010.	\$450	10.90	\$4,905.00
Craig Gibson	Global Leveraged Finance Associate for 11 months; admitted in 2010.	\$450	26.80	\$12,060.00
Vina Ha	Litigation Associate for 11 months; admitted in 2010.	\$450	436.20	\$196,290.00
Shemetreal Harris	Alternative Investments Associate for 11 months; admitted in 2010.	\$450	3.80	\$1,710.00
Elena Hassan	Global Corporate Associate for 11 months; admitted in 2010.	\$450	107.80	\$48,510.00
Jacob Jou	Litigation Associate for 11 months; admitted in 2010.	\$450	331.20	\$149,040.00
Matthew Kanter	Financial Restructuring Associate for 11 months; admitted in 2010.	\$450	585.10	\$263,295.00
Ethan Lee	Litigation Associate for 11 months; admitted in 2010.	\$450	585.20	\$263,340.00
Kevin Lee	Global Corporate Associate for 11 months; admitted in 2010.	\$450	85.90	\$38,655.00
Kathryn Lenahan	Financial Restructuring Associate for 11 months; admitted in 2010.	\$450	321.40	\$144,630.00
Denise Linton	Litigation Associate for 11 months; admitted in 2010.	\$450	540.80	\$243,360.00
Tiara Lipps	Real Estate Associate for 11 months; admitted in 2010.	\$450	74.80	\$33,660.00
Alastair Macdonald	Global Transportation and Space Finance Associate for 11 months; admitted in 2010.	\$450	68.40	\$30,780.00
James Marshall	Global Securities Associate for 11 months; admitted in 2010.	\$450	121.40	\$54,630.00
Richard Mo	Global Securities Associate for 11 months; admitted in 2010.	\$450	87.50	\$39,375.00
Andrew Morton	Financial Restructuring Associate for 11 months; admitted in 2010.	\$450	86.90	\$39,105.00

Brian Murphy	Global Corporate Associate for 11 months; admitted in 2010.	\$450	37.00	\$16,650.00
Kathleen Oliver	Global Transportation and Space Finance Associate for 11 months; admitted in 2010.	\$450	23.50	\$10,575.00
Vanessa Ortblad	Global Project Finance Associate for 11 months; admitted in 2010.	\$450	36.00	\$16,200.00
Jonathan Ostrzega	Financial Restructuring Associate for 11 months; admitted in 2010.	\$450	115.70	\$52,065.00
James Reilly	Litigation Associate for 11 months; admitted in 2010.	\$450	129.60	\$58,320.00
Katherine Rhodes	Litigation Associate for 11 months; admitted in 2010.	\$450	185.20	\$83,340.00
Joanne Ricciardiello	Global Transportation and Space Finance Associate for 11 months; admitted in 2010.	\$450	144.40	\$64,980.00
Paul Riley	Litigation Associate for 11 months; admitted in 2010.	\$450	222.40	\$100,080.00
Iiya Ross	Global Securities Associate for 11 months; admitted in 2010.	\$450	191.00	\$85,950.00
Neema Saran	Litigation Associate for 11 months; admitted in 2010.	\$450	446.10	\$200,745.00
Megha Shah	Global Securities Associate for 11 months; admitted in 2010.	\$450	349.80	\$157,410.00
Nehal Siddiqui	Global Corporate Associate for 11 months; admitted in 2010.	\$450	160.80	\$72,360.00
Sunila Sreepada	Litigation Associate for 11 months; admitted in 2010.	\$450	76.50	\$34,425.00
Brian Sturm	Financial Restructuring Associate for 11 months; admitted in 2010.	\$450	320.10	\$144,045.00
Shujun Tian	Global Securities Associate for 11 months; admitted in 2010.	\$450	2.70	\$1,215.00
Matthew Telford Vidal	Global Securities Associate for 11 months; admitted in 2010.	\$450	18.40	\$8,280.00
Jonathan Walder	Litigation Associate for 11 months; admitted in 2010.	\$450	593.50	\$267,075.00
Justin Waldie	Global Leveraged Finance Associate for 11 months; admitted in 2010.	\$450	30.20	\$13,590.00
Jerry Wang	Alternative Investments Associate for 11 months; admitted in 2010.	\$450	60.30	\$27,135.00
Eric Weiss	Litigation Associate for 11 months; admitted in 2010.	\$450	354.50	\$159,525.00

Jeremy Wells	Global Securities Associate for 11 months; admitted in 2010.	\$450	190	\$85,500.00
Ryan West	Litigation Associate for 11 months; admitted in 2010.	\$450	179.40	\$80,730.00
Brian Youn	Litigation Associate for 11 months; admitted in 2010.	\$450	88.20	\$39,690.00
Zen Zhang	Global Corporate Associate for 11 months; admitted in 2010.	\$450	5.60	\$2,520.00
Jenny Zhou	Litigation Associate for 11 months; admitted in 2010.	\$450	71.10	\$31,995.00
Monica Alston	Case Manager	\$250	565.90	\$141,475.00
Abayomi A. Ayandipo	Case Manager	\$250	152.10	\$38,025.00
Oscar Castrillon	Case Manager	\$250	18.10	\$4,525.00
Angel Anderson	Case Manager	\$215	11.00	\$2,365.00
Rena Ceron	Case Manager	\$215	200.40	\$43,086.00
Richard Cosentino	Legal Assistant	\$275	307.50	\$84,562.50
Randy Hooks	Legal Assistant	\$275	343.60	\$94,490.00
Kim Strosser	Legal Assistant	\$275	133.90	\$36,822.50
Charles Sheehan	Legal Assistant	\$265	174.80	\$46,322.00
Thomas Manzke	Legal Assistant	\$235	49.10	\$11,538.50
Chris Georgakis	Legal Assistant	\$190	23.10	\$4,389.00
Paul Butters	Legal Assistant	\$185	85.60	\$15,836.00
Benjamin Harris	Legal Assistant	\$185	2.50	\$462.50
Charmaine Thomas	Legal Assistant	\$185	198.20	\$36,667.00
Kyle Martin	Legal Assistant	\$175	682.10	\$119,367.50
Jason Hsu	Legal Assistant	\$165	230.00	\$37,950.00
Liga R Michailovs	Legal Assistant	\$165	5.80	\$957.00
Francesca Skrelja	Legal Assistant	\$165	10.00	\$1,650.00
Icsom W. Jones	Managing Attorney Clerk	\$215	2.60	\$559.00
Jacqueline Brewster	Managing Attorney Clerk	\$175	65.30	\$11,427.50
Matthew Ottenstein	Librarian	\$205	8.50	\$1,742.50
Robin Traylor	Librarian	\$205	22.60	\$4,633.00
Mayra Cabrera	Librarian	\$190	2.30	\$437.00
Marcin Grabysz	Litigation Support Specialist	\$285	57.60	\$16,416.00
James McGuire	Litigation Support Specialist	\$285	6.70	\$1,909.50
Shaun M. De Suze	Litigation Support Specialist	\$275	6.80	\$1,870.00
Joseph S. Klock	Litigation Support Specialist	\$275	3.80	\$1,045.00
Alexander Sacklowski	Litigation Support Specialist	\$275	109.00	\$29,975.00
Rhodely Vallon	Litigation Support Specialist	\$275	343.10	\$94,352.50
Theartis Everett	Litigation Support Specialist	\$255	81.70	\$20,833.50
Mitchell Gaines	Programmer	\$230	3.10	\$713.00
Gabrielle Zsebi	Librarian	\$210	2.40	\$504.00
John McHugh	Information Officer	\$185	2.00	\$370.00
Maria Smilen	File Clerk	\$115	17.90	\$2,058.50

Total		\$557.04 (blended rate)¹	32,959.00 hours	\$18,359,367.75
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¹ The blended rate excluding paraprofessionals is \$589.76 per hour.

* In accordance with the Fee Committee Guidelines, Milbank has billed non-working travel time at 50% of normal rates.

**SIXTH INTERIM FEE APPLICATION OF MILBANK, TWEED,
HADLEY & McCLOY LLP: AS COUNSEL TO THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS OF LEHMAN BROTHERS HOLDINGS INC., ET AL.
(JUNE 1, 2010 – SEPTEMBER 30, 2010)**

ACTIVITY	HOURS	FEES
General Case Administration	370.80	\$265,488.00
General Case Strategy Meetings	20.80	\$17,475.50
Project Monitoring/Court Calendar & Docket Maintenance	441.40	\$132,607.00
Hearings and Court Communications	240.60	\$131,454.50
Non-Working Travel	167.90	\$66,323.25
Interested Party Communications/Website/Lehman Team Hotline	298.70	\$163,746.50
Communications with Debtors	92.30	\$68,013.50
Unsecured Creditors Issues/Meetings/Communications/Creditors' Committee	862.20	\$586,634.50
Secured Creditors Issues/Meetings/Communications	14.40	\$11,732.50
Equity Holders/Motions/Hearings	7.00	4,335.50
LBI/SIPC Coordination and Issues	187.70	\$113,946.50
Cash Management	5.90	\$3,256.50
Insurance Issues	7.70	\$5,245.50
Employee/ERISA/Benefits/Pension Issues	91.50	\$64,400.50
Tax Issues	2,078.20	\$1,364,286.00
Corporate Governance	11.30	\$5,527.50
Other General Business Operation Issues	3.80	\$3,702.00
Intercompany Issues	169.90	\$105,486.00
Real Estate Matters	1,059.70	\$728,486.00
Private Equity	13.50	\$9,199.50
Derivatives/SWAP Agreement Issues (Including Derivatives- Related Adversary Proceedings, Alternative Dispute Resolution, and Claims Reconciliation and Litigation)	5,980.40	\$3,820,103.50
Loans/Investments	204.90	\$119,117.50

Domestic Bank and Related Regulatory Issues	261.60	\$143,300.00
International Insolvency Issues	1,270.20	\$747,852.50
Schedules/Statement of Financial Affairs	2.40	\$1,258.00
Non-Derivative Automatic Stay/Safe Harbor Issues	185.80	\$86,543.00
Miscellaneous Asset Sales/363 Issues	1.30	\$750.00
Non-Derivative Executory Contracts/365 Issues	4.60	\$2,070.00
DIP Financing	6.90	\$1,990.50
Plan of Reorganization/Plan Confirmation/Plan Implementation	660.00	\$450,061.00
Disclosure Statement/Solicitation/Voting	9.80	\$5,455.00
Non-Derivative Claims Reconciliation, Estimation, Litigation, and Alternative Dispute Resolution and Bar Date Issues	3,627.50	\$1,940,902.50
Other Bankruptcy Motions and Matters	1,160.40	\$739,334.50
Non-Derivative Adversary Proceedings Preparation and Litigation	11,178.20	\$5,514,547.50
Non-Bankruptcy Litigation	20.60	\$15,462.50
2004 Issues	32.40	\$15,098.50
Appeals	18.00	\$8,100.00
SEC/DOJ Issues	2.50	\$712.50
Examiner Issues	100.10	\$53,559.50
Proprietary Retention/Billing/Fee Applications	1,729.10	\$670,387.00
Retention Issue/Fees Applications: Ordinary Course Professionals	170.20	\$89,542.00
Retention Issue/Fees Applications: Other Professionals	186.80	\$81,873.50
Total	32,959	\$18,359,367.75

**SIXTH INTERIM FEE APPLICATION OF MILBANK, TWEED,
HADLEY & M^CCLOY LLP: AS COUNSEL TO THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS OF LEHMAN BROTHERS HOLDINGS INC., ET AL.
(JUNE 1, 2010 – SEPTEMBER 30, 2010)**

DISBURSEMENTS	AMOUNT
Airfreight	2,255.38
Cab Fares/Local Travel	39,013.61
Computer Database Research	536,777.03
Fees	5,050.24
Global Filings	4,260.00
Mail	22.83
Meals	28,223.06
Messenger	1,128.42
Misc	319.23
Outside Reproduction	320.11
Photocopies	95,290.05
Telephone/Telecopy	33,138.69
Travel	47,125.99
TOTAL DISBURSEMENTS	<u><u>\$792,924.64¹</u></u>

¹ Expenses have been adjusted in accordance with the Fee Committee Guidelines.

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Counsel for Official Committee of Unsecured
Creditors of Lehman Brothers Holdings Inc., et al.

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----	X	
	:	
In re:	:	Chapter 11 Case No.
	:	
LEHMAN BROTHERS HOLDINGS INC., <u>et al.</u> ,	:	08-13555 (JMP)
	:	
Debtors.	:	(Jointly Administered)
	:	
-----	X	

**SIXTH APPLICATION OF MILBANK, TWEED, HADLEY & M^cCLOY LLP,
COUNSEL TO OFFICIAL COMMITTEE OF UNSECURED CREDITORS, FOR
INTERIM APPROVAL AND ALLOWANCE OF COMPENSATION FOR SERVICES
RENDERED AND FOR REIMBURSEMENT OF EXPENSES DURING PERIOD FROM
JUNE 1, 2010 THROUGH AND INCLUDING SEPTEMBER 30, 2010**

TO THE HONORABLE JAMES M. PECK
UNITED STATES BANKRUPTCY JUDGE:

Milbank, Tweed, Hadley & M^cCloy LLP ("Milbank"), counsel to the Official
Committee of Unsecured Creditors (the "Committee") of Lehman Brothers Holdings Inc.
("LBHI"), Lehman Brothers Special Financing Inc. ("LBSF"), Lehman Commercial Paper Inc.
("LCPI") and their affiliated debtors and debtors in possession in the above-captioned cases
(collectively, the "Debtors" and, together with their non-Debtor affiliates, "Lehman"), hereby
submits its application (the "Application"), pursuant to sections 330 and 331 of chapter 11 of
title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (as amended, the "Bankruptcy
Code"), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), the

Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases adopted by the Court on June 24, 1991 and amended April 21, 1995 (together, the “Local Guidelines”), the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330, effective January 30, 1996 (the “U.S. Trustee Guidelines”), the Third Amended Order Pursuant to Sections 105(a) and 331 of the Bankruptcy Code and Bankruptcy Rule 2016(a) Establishing Procedures for Interim Monthly Compensation And Reimbursement Of Expenses of Professionals, dated June 25, 2009 (the “Interim Compensation Order”), and the guidelines (the “Fee Committee Guidelines”) contained in the Fee Committee Report Pertaining to the Fourth Interim Fee Applications of All Retained Professionals, dated August 20, 2010 (the “Fee Committee Report”), for the allowance of interim compensation for professional services rendered from June 1, 2010 through and including September 30, 2010 (the “Sixth Interim Compensation Period”), and for reimbursement of expenses incurred in connection with such services, and in support thereof respectfully represents as follows:

I.

INTRODUCTION

A. Background

1. Bankruptcy Filing. On September 15, 2008, and periodically thereafter (the “Petition Date”), the Debtors commenced the above-captioned chapter 11 cases (the “Chapter 11 Cases”). The Debtors’ Chapter 11 Cases have been consolidated for procedural purposes and are being jointly administered pursuant to Rule 1015(b) of the Bankruptcy Rules. The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to section 1107(a) and 1108 of the Bankruptcy Code.

2. Creditors' Committee. On September 17, 2008, the Office of the United States Trustee for the Southern District of New York (the "U.S. Trustee") appointed the Committee in the Chapter 11 Cases.

3. SIPA Trustee. On September 19, 2008, a proceeding ("SIPA Proceeding") was commenced under the Securities Investor Protection Act of 1970 ("SIPA") with respect to Lehman Brothers Inc. ("LBI"), a wholly owned subsidiary of LBHI and a registered broker-dealer. James W. Giddens, Esq. is the trustee appointed under SIPA (the "SIPA Trustee") and is administering LBI's estate.

4. Examiner. The United States Bankruptcy Court for the Southern District of New York (the "Court") approved the appointment of Anton R. Valukas as examiner (the "Examiner") in the Chapter 11 Cases in the Order Approving the Appointment of Examiner dated January 20, 2009. In accordance with his appointment, the Examiner issued his report (the "Examiner's Report") on February 8, 2010, which was filed under seal and later unsealed on March 11, 2010.

5. Fee Committee. On May 26, 2009, the Court appointed a fee committee (the "Fee Committee") and approved a fee protocol (the "Fee Protocol") in the Chapter 11 Cases.

6. Debtors' Plan and Disclosure Statement. On March 15, 2010, the Debtors filed their Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and its Affiliated Debtors [Docket No. 7572]. Subsequently, on April 14, 2010, the Debtors filed their Disclosure Statement for Joint Chapter 11 Plan of Lehman Brothers Holding Inc. and its Affiliated Debtors Pursuant to Section 1125 of the Bankruptcy Code (the "Debtors' Disclosure Statement")

[Docket No. 8332], along with their revised Chapter 11 Plan (the “Debtors’ Plan”) [Docket No. 8330].

7. Jurisdiction. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. Venue of the Chapter 11 Cases is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding under 28 U.S.C. § 157(b)(2). The statutory predicates for the relief sought herein are sections 330 and 331 of the Bankruptcy Code. Pursuant to the Local Guidelines, a certification regarding compliance with the Local Guidelines is attached hereto as Exhibit “A.”

B. Retention of Milbank and Billing History

8. Authorization for Milbank’s Retention. On November 5, 2008, pursuant to the Interim Order Under 11 U.S.C. § 1103 And Fed. R. Bankr. P. 2014 And 5002 Authorizing The Retention And Employment Of Milbank, Tweed, Hadley & M^cCloy LLP, As Counsel For The Official Committee Of Unsecured Creditors Effective As Of September 17, 2008 (the “Retention Order”), the Court authorized Milbank’s retention as counsel for the Committee in these cases. The Retention Order, which became a final order on November 21, 2008, authorized Milbank to receive compensation pursuant to the procedures set forth in the Bankruptcy Code, the Bankruptcy Rules, the Local Guidelines, the U.S. Trustee Guidelines, and the local rules and orders of this Court. Among other things, the Retention Order provides that Milbank’s hourly rates are subject to periodic firm-wide adjustments in the ordinary course of Milbank’s business.

9. First Interim Fee Application. On April 10, 2009, Milbank filed its First Application Of Milbank, Tweed, Hadley & M^cCloy LLP, Counsel to Official Committee of Unsecured Creditors, For Interim Approval And Allowance Of Compensation For Services

Rendered And For Reimbursement Of Expenses During Period From September 17, 2008 Through And Including January 31, 2009 (the “First Interim Fee Application”). In the First Interim Fee Application, Milbank requested (i) allowance of compensation for professional services rendered during the period from September 17, 2008 through and including January 31, 2009 (the “First Interim Compensation Period”) in the total amount of \$12,123,376.00,¹ and (ii) reimbursement of its actual and necessary expenses incurred during the First Interim Compensation Period in the amount of \$668,388.72. Pursuant to the Interim Compensation Order, Milbank received payment in the amount of \$10,397,943.56 during the First Interim Compensation Period. On August 5, 2009, the Court approved the First Interim Fee Application, subject to a ten percent holdback pursuant to the recommendation of the Fee Committee. On September 10, 2009, the Court approved the release of the remaining holdback, subject to a \$69,990.04 deduction, at the recommendation of the Fee Committee.²

10. Second Interim Fee Application. On August 14, 2009, Milbank filed its Second Application Of Milbank, Tweed, Hadley & McCloy LLP, Counsel to Official Committee of Unsecured Creditors, For Interim Approval And Allowance Of Compensation For Services Rendered And For Reimbursement Of Expenses During Period From February 1, 2009 Through And Including May 31, 2009 (the “Second Interim Fee Application”). In the Second Interim Fee Application, Milbank requested (i) allowance of compensation for professional services rendered during the period from February 1, 2009 through and including May 31, 2009 (the

¹ Milbank voluntarily reduced the fees it sought to have allowed for the First Interim Compensation Period by \$129,111.00. However, Milbank reserved, and continues to reserve, the right to seek the allowance of all or a portion of such fees at a later date.

² Milbank reserves the right to seek, at a later date, the allowance of all or a portion of such fees.

“Second Interim Compensation Period”) in the total amount of \$16,829,521.00,³ and (ii) reimbursement of its actual and necessary expenses incurred during the Second Interim Compensation Period in the amount of \$1,019,754.61. Pursuant to the Interim Compensation Order, Milbank received payment in the amount of \$14,582,737.21 during the Second Interim Compensation Period. On September 25, 2009, the Court approved the Second Interim Fee Application, subject to a ten percent holdback pursuant to the recommendation of the Fee Committee. On December 23, 2009, the Court released the ten percent holdback, subject to a \$311,734.82 deduction, at the recommendation of the Fee Committee.⁴

11. Third Interim Fee Application. On December 14, 2009, Milbank filed its Third Application Of Milbank, Tweed, Hadley & M^cCloy LLP, Counsel to Official Committee of Unsecured Creditors, For Interim Approval And Allowance Of Compensation For Services Rendered And For Reimbursement Of Expenses During Period From June 1, 2009 Through And Including September 30, 2009 (the “Third Interim Fee Application”). In the Third Interim Fee Application, Milbank requested (i) allowance of compensation for professional services rendered during the period from June 1, 2009 through and including September 30, 2009 (the “Third Interim Compensation Period”) in the total amount of \$10,881,540.00,⁵ and (ii) reimbursement of its actual and necessary expenses incurred during the Third Interim Compensation Period in the amount of \$583,803.10. Pursuant to the Interim Compensation

³ Milbank voluntarily reduced the fees it sought to have allowed for the Second Interim Compensation Period by \$154,700.25, on account of, among other things, certain matters identified by the Fee Committee. However, Milbank reserved, and continues to reserve, the right to seek the allowance of all or a portion of such fees at a later date.

⁴ Milbank reserves the right to seek, at a later date, the allowance of all or a portion of such fees.

⁵ Milbank voluntarily reduced the fees it sought to have allowed for the Third Interim Compensation Period by \$419,548.50, on account of, among other things, certain matters identified by the Fee Committee. However, Milbank reserved, and continues to reserve, the right to seek the allowance of all or a portion of such fees at a later date.

Order, Milbank received payment in the amount of \$7,480,652.96 during the Third Interim Compensation Period. On April 9, 2010, the Court approved the Third Interim Fee Application, subject to a \$292,555.40 deduction, at the recommendation of the Fee Committee.⁶

12. Fourth Interim Fee Application. On April 16, 2010, Milbank filed its Fourth Application Of Milbank, Tweed, Hadley & McCloy LLP, Counsel to Official Committee of Unsecured Creditors, For Interim Approval And Allowance Of Compensation For Services Rendered And For Reimbursement Of Expenses During Period From October 1, 2009 Through And Including January 31, 2010 (the “Fourth Interim Fee Application”). In the Fourth Interim Fee Application, Milbank requested (i) allowance of compensation for professional services rendered during the period from October 1, 2009 through and including January 31, 2010 (the “Fourth Interim Compensation Period”) in the total amount of \$13,595,778.50,⁷ and (ii) reimbursement of its actual and necessary expenses incurred during the Fourth Interim Compensation Period in the amount of \$451,410.54. Pursuant to the Interim Compensation Order, Milbank received payment in the amount of \$11,341,325.19 during the Fourth Interim Compensation Period. On September 7, 2010, the Court approved the Fourth Interim Fee Application, subject to an additional holdback in the amount of \$733,570.87, relating to certain unresolved objections asserted by the Fee Committee.⁸

13. Fifth Interim Fee Application. On August 16, 2010, Milbank filed its Fifth Application Of Milbank, Tweed, Hadley & McCloy LLP, Counsel to Official Committee of

⁶ Milbank reserved, and continues to reserve, the right to seek, at a later time, the allowance of all or a portion of such fees.

⁷ Milbank voluntarily reduced the fees it sought to have allowed for the Fourth Interim Compensation Period by \$111,446.50, on account of, among other things, certain matters identified by the Fee Committee. However, Milbank reserved, and continues to reserve, the right to seek the allowance of all or a portion of such fees at a later date.

⁸ Milbank reserves, and continues to reserve, the right to seek the allowance of all or a portion of such fees at a later date.

Unsecured Creditors, For Interim Approval And Allowance Of Compensation For Services Rendered And For Reimbursement Of Expenses During Period From February 1, 2010 Through And Including May 31, 2010 (the “Fifth Interim Fee Application”). In the Fifth Interim Fee Application, Milbank requested (i) allowance of compensation for professional services rendered during the period from February 1, 2010 through and including May 31, 2010 (the “Fifth Interim Compensation Period”) in the total amount of \$19,450,342.75,⁹ and (ii) reimbursement of its actual and necessary expenses incurred during the Fifth Interim Compensation Period in the amount of \$851,804.27. Pursuant to the Interim Compensation Order, Milbank received payment in the amount of \$16,427,844.72 during the Fifth Interim Compensation Period. Due to recent developments relating to and ongoing discussions with the Fee Committee, no hearing has yet been scheduled with respect to the Fifth Interim Fee Application.¹⁰

14. Application. Milbank makes this sixth interim application for approval and allowance of compensation and reimbursement of expenses pursuant to sections 330 and 331 of the Bankruptcy Code.

15. In accordance with the Interim Compensation Order, Milbank submitted monthly fee statements to the Debtors seeking interim compensation and reimbursement of expenses. During the Sixth Interim Compensation Period, Milbank submitted the following fee statements:

- a. On September 30, 2010, pursuant to the Interim Compensation Order, Milbank served its twenty-first fee statement for the period from June 1, 2010 through and

⁹ Milbank voluntarily reduced the fees it sought to have allowed for the Fifth Interim Compensation Period by \$199,247.00, on account of, among other things, certain matters identified by the Fee Committee. However, Milbank reserved, and continues to reserve, the right to seek the allowance of all or a portion of such fees at a later date.

¹⁰ Milbank reserves the right to seek the allowance of all or a portion of such fees at a later date.

including June 30, 2010 (the “Twenty-First Fee Statement”). The Twenty-First Fee Statement sought (i) an allowance of \$5,262,551.50 as compensation for services rendered and (ii) the reimbursement of \$250,465.36 in expenses. As of the date hereof, Milbank has received a total of \$4,460,050.56, which represents payment for (i) 80% of Milbank’s fees and (ii) 100% of the expenses incurred pursuant to the Twenty-First Fee Statement.

- b. On October 15, 2010, pursuant to the Interim Compensation Order, Milbank served its twenty-second fee statement for the period from July 1, 2010 through and including July 31, 2010 (the “Twenty-Second Fee Statement”). The Twenty-Second Fee Statement sought (i) an allowance of \$4,076,093.25 as compensation for services rendered and (ii) the reimbursement of \$215,677.73 in expenses. As of the date hereof, Milbank has received a total of \$3,476,552.33, which represents payment for (i) 80% of Milbank’s fees and (ii) 100% of the expenses incurred pursuant to the Twenty-Second Fee Statement.
- c. On November 9, 2010, pursuant to the Interim Compensation Order, Milbank filed and served its twenty-third fee statement for the period from August 1, 2010 through and including August 31, 2010 (the “Twenty-Third Fee Statement”). The Twenty-Third Fee Statement sought (i) an allowance of \$5,255,836.00 as compensation for services rendered and (ii) the reimbursement of \$202,905.34 in expenses. As of the date hereof, Milbank has received a total of \$4,407,574.14, which represents payment for (i) 80% of Milbank’s fees and (ii) 100% of the expenses incurred pursuant to the Twenty-Second Fee Statement.
- d. On November 23, 2010, pursuant to the Interim Compensation Order, Milbank filed and served its twenty-fourth fee statement for the period from September 1, 2010 through and including September 30, 2010 (the “Twenty-Fourth Fee Statement”) and, together with the Twenty-First Fee Statement, Twenty-Second Fee Statement and Twenty-Third Fee Statement, the “Fee Statements”). The Twenty-Fourth Fee Statement sought (i) an allowance of \$3,764,887.00 as compensation for services rendered and (ii) the reimbursement of \$135,627.47 in expenses. As of the date hereof, Milbank has received a total of \$3,147,582.07, which represents payment for (i) 80% of Milbank’s fees and (ii) 100% of the expenses incurred pursuant to the Twenty-Second Fee Statement.

16. Milbank has not entered into any agreement, express or implied, with any other party for the purpose of fixing or sharing fees or other compensation to be paid for professional services rendered in these cases. No promises have been received by Milbank or any member thereof as to compensation in connection with these cases other than in accordance with the provisions of the Bankruptcy Code.

II.

APPLICATION

17. By this Application, Milbank is seeking allowance of (a) compensation for professional services rendered by Milbank, as counsel for the Committee, during the Sixth Interim Compensation Period and (b) reimbursement of expenses incurred by Milbank in connection with such services during the Sixth Interim Compensation Period.

18. In this Application, Milbank seeks approval of \$18,359,367.75¹¹ for legal services rendered on behalf of the Committee during the Sixth Interim Compensation Period and \$792,924.64¹² for reimbursement of expenses incurred in connection with the rendering of such services, for a total award of \$19,152,292.39.

19. Pursuant to the Interim Compensation Order, Milbank has already received payment of \$15,491,759.01, during the Sixth Interim Compensation Period. Milbank will seek a total payment of \$3,660,533.38 pursuant to this Application, which amount represents the portion of Milbank's fees for legal services rendered and expenses incurred during the Sixth Interim Compensation Period not previously paid to Milbank pursuant to the Interim Compensation Order.¹³

¹¹ The compensation sought by this Application reflects a voluntary reduction of approximately \$229,420.50 including, but not limited to, certain fee issues identified by the Fee Committee. However, Milbank reserves the right to seek allowance of all or a portion of such fees at a future date.

¹² This amount reflects a reduction of certain expenses as per the Fee Committee Guidelines. Milbank reserves the right to seek, at a later date, reimbursement for the total amount of expenses incurred in connection with its representation of the Committee.

¹³ As is customary, in connection with the preparation of this Application, Milbank has reviewed the fees and expenses set forth in its Fee Statements. Based on this review, the amount requested herein on account of fees and expenses incurred by Milbank during the Sixth Interim Compensation Period is \$11,751.26 less than the sum of fees and expenses set forth in the Fee Statements. Accordingly, upon approval of the relief requested herein, Milbank will reduce its request for payment from the Debtors by such amount.

20. The fees sought by this Application reflect an aggregate of 32,959.00 hours of attorney and paraprofessional time spent and recorded in performing services for the Committee during the Sixth Interim Compensation Period, at a blended average hourly rate of \$577.04 for both professionals and paraprofessionals. The blended hourly rate for professionals only is \$589.76.

21. Milbank rendered to the Committee all services for which compensation is sought solely in connection with these cases, in furtherance of the duties and functions of the Committee.

22. Milbank maintains computerized records of the time expended in the rendering of the professional services required by the Committee. These records are maintained in the ordinary course of Milbank's practice. For the convenience of the Court and parties in interest, a billing summary for the Sixth Interim Compensation Period is attached as part of the cover sheet, setting forth the name of each attorney and paraprofessional for whose work on these cases compensation is sought, each attorney's year of bar admission, the aggregate of the time expended by each such attorney or paraprofessional, the hourly billing rate for each such attorney or paraprofessional at Milbank's current billing rates, and an indication of the individual amounts requested as part of the total amount of compensation requested. In addition, set forth in the billing summary is additional information indicating whether each attorney is a partner, counsel or associate, the number of years each attorney has held such position, and each attorney's area of concentration. The compensation requested by Milbank is based on the customary compensation charged by comparably skilled practitioners in cases other than cases under the Bankruptcy Code.

23. Attached hereto as Exhibit "B" are time entry records broken down in tenths of an hour by project category, based on the U.S. Trustee Guidelines, setting forth a detailed description of services performed by each attorney and paraprofessional on behalf of the Committee.¹⁴

24. Milbank also maintains computerized records of all expenses incurred in connection with the performance of professional services. A summary of the amounts and categories of expenses for which reimbursement is sought, as well as a breakdown of expenses by project category and detailed descriptions of these expenses, are attached hereto as Exhibit "C."

III.

SUMMARY OF PROFESSIONAL SERVICES RENDERED

25. To provide an orderly summary of the services rendered on behalf of the Committee by Milbank, and in accordance with the U.S. Trustee Guidelines, the Fee Committee adopted the following billing categories in connection with these cases:

00100	General Case Administration
00200	General Case Strategy Meetings
00300	Project Monitoring/Court Calendar & Docket Maintenance
00400	Hearings and Court Communications
00500	Non-Working Travel
00600	Interested Parties Communications
00700	Communications with Debtors
00800	Unsecured Creditors Issues/Meetings/Communications/Creditors' Committee
00900	Secured Creditors Issues/Meetings/Communications
01000	Equity Holders/Motions/Hearings/Communications
01100	LBI/SIPC Coordination and Issues
01200	Cash Management
01300	Insurance Issues

¹⁴ Due to the volume of the time and expense records, and consistent with the Interim Compensation Order, these materials are not being filed with the Court, but copies thereof have been delivered to (i) the Court; (ii) the U.S. Trustee; (iii) the Debtors; (iv) counsel for the Debtors; and (v) the members of the Fee Committee.

01400	Employee/ERISA/Benefits/Pension Issues
01800	Tax Issues
01900	Corporate Governance
02000	Other General Business Operation Issues
02100	Intercompany Issues
02200	Data Preservation/Migration
02300	Real Estate Matters
02400	Private Equity
02500	Derivatives/SWAP Agreement Issues
02600	Loans/Investments
02700	Domestic Bank and Related Regulatory Issues
02800	International Insolvency Issues
02900	Schedules/Statement of Financial Affairs
03000	Non-Derivative Automatic Stay/Safe Harbor Issues
03100	Miscellaneous Asset Sales/363 Issues
03200	Non-Derivative Executory Contracts/365 Issues
03300	DIP Financing
03400	Exit Financing
03500	Plan of Reorganization/Plan Confirmation/Plan Implementation
03600	Disclosure Statement/Solicitation/Voting
03700	Non-Derivative Claims Reconciliation, Estimation, Litigation, and Alternative Dispute Resolution and Bar Date Issues
03800	Other Bankruptcy Motions and Matters
03900	Non-Derivative Adversary Proceedings Preparation and Litigation
04000	Non-Bankruptcy Litigation
04100	Rule 2004 Issues
04200	Appeals
04300	US Trustee Related Issues
04400	SEC/DOJ Issues
04500	Examiner Issues
04600	Firm's Own Billing/Fee Applications
04700	Firm's Own Retention Issues
04800	Third Party Retention/Fee Application/Other Issues

26. The following summary is intended only to highlight key services rendered by Milbank in certain project billing categories where Milbank has expended a considerable number of hours on behalf of the Committee, and is not meant to be a detailed description of all of the work performed. Detailed descriptions of the day-to-day services provided by Milbank and the time expended performing such services in each project billing category are fully set forth in Exhibit "B" hereto. Such detailed descriptions demonstrate that

Milbank was heavily involved in the performance of services for the Committee on a daily basis, including night and weekend work, often under extreme time constraints, to meet the needs of the Committee in these cases. The sheer magnitude of matters in these Chapter 11 Cases has required and continues to require substantial and continuing efforts on the part of the Committee and its professional advisors, including Milbank, to address the many complex issues and problems that are presented by these extraordinary and complex cases.

A. General Case Administration

27. During the Sixth Interim Compensation Period, Milbank continued to maintain, and undertake action in accordance with, an elaborate protocol developed earlier in these cases for the organization and delegation of the substantial number of tasks engendered by Lehman's chapter 11 process. The protocol is designed to ensure that the Committee is kept apprised of all aspects of the Chapter 11 Cases. The protocol also guarantees that all matters are being addressed, without duplication of effort. Due to the highly complicated nature of the Debtors' cases, these tasks require the knowledge, expertise, and input of a whole range of Milbank timekeepers, from paralegals to senior partners, all of whom have become intimately familiar with the issues and the parties in the Chapter 11 Cases.

28. Additionally, Milbank has established a system whereby all substantive court filings are reviewed to provide the Committee with a comprehensive summary and analysis of each material pleading filed in the Chapter 11 Cases. Milbank's efforts in setting up efficient and comprehensive methods of administering the Committee's needs ensure that the Committee has the information necessary to effectively carry out its fiduciary responsibilities to the unsecured creditors of each of the Debtors.

B. Unsecured Creditors' Issues/Meetings/Communications/Creditors' Committee

29. During the Sixth Interim Compensation Period, the Committee held weekly telephonic meetings and monthly in-person meetings in advance of in-person meetings with the Debtors. In addition, the Committee also held a separate weekly telephonic meeting devoted to plan of reorganization issues. Prior to each Committee meeting, Milbank prepared and distributed memoranda, presentations, and other materials for the Committee members' consideration. During the Committee meetings, Milbank discussed with Committee members and their counsel all significant matters arising during the Sixth Interim Compensation Period, and in particular, the Debtors' Plan, and assisted the Committee in formulating positions with respect to such issues.

30. Through Committee meetings and conference calls, and numerous other communications with members of the Committee, Milbank has assisted the Committee in

- (i) fulfilling its obligations to unsecured creditors of each of the Debtors' estates, and
- (ii) making informed decisions regarding the numerous issues that have arisen in these cases.

C. Project Monitoring/Court Calendar & Docket Maintenance

31. During the Sixth Interim Compensation Period, Milbank continued to maintain internal filing, record-keeping, docket-monitoring, and calendaring systems to organize and track (i) pleadings filed in the Chapter 11 Cases, SIPA Proceeding, and related adversary proceedings; (ii) ongoing projects; and (iii) upcoming deadlines. On a real-time basis, Milbank downloaded, consolidated, and organized pleadings to ensure efficient access. Milbank also monitored the dockets and summarized and circulated substantive pleadings to the Milbank team. These summaries enabled Milbank to stay abreast of ongoing developments in

these cases, facilitated the assignment of projects, and helped ensure that deadlines were not missed.

32. Additionally, Milbank maintained a comprehensive calendar of active matters in these cases. This calendar ensured that Milbank could effectively monitor and update the status of all pending matters, a resource that proved beneficial in responding to inquiries and discussing these matters with the Committee and other parties in interest. Milbank also maintained and circulated to the Committee, on a weekly basis, a calendar of upcoming motions, hearing dates, and other important deadlines.

D. Hearings and Court Communications

33. During the Sixth Interim Compensation Period, Milbank prepared for and appeared at each of the hearings conducted before this Court, including, among others, (i) numerous regularly scheduled omnibus hearings; (ii) hearing on claims related matters; (iii) special hearings and case conferences; (iv) hearings in the SIPA Proceeding; and (v) hearings in a wide variety of adversary proceedings arising out of the Chapter 11 Cases and the SIPA Proceeding. In advance of each omnibus hearing, Milbank would confer internally to address the issues presented by each motion or other pleading and coordinate a response thereto. To that end, among other things, Milbank reviewed and analyzed documents, including correspondence and pleadings, conducted factual and legal research, and met with numerous parties to work toward the consensual resolution of any objections raised by the Committee or other parties in interest. Following each hearing, Milbank promptly advised the Committee of pertinent Court rulings and developments.

E. Interested Party Communications/Website/Lehman Team Hotline

34. In accordance with the Stipulation and Agreed Order Between the Debtors and the Official Committee of Unsecured Creditors Regarding Creditor Access to Information Pursuant to 11 U.S.C §§ 105(a), 1102(b)(3) and 1103(c) [Docket No. 498], which the Court approved on October 1, 2008 (the “Creditor Information Protocol”), Milbank, on behalf of the Committee, continued to populate and maintain a public website (the “Committee Website”). The Committee Website contains a significant amount of content produced by Milbank, which is updated frequently and designed to provide information to creditors, including, among other things, (i) general information concerning the Debtors’ Chapter 11 Cases, including adversary proceedings, chapter 15 cases, and the SIPA Proceeding; (ii) highlights of significant events; (iii) a database of the Court’s memorandum decisions issued in connection with the Chapter 11 Cases, adversary proceedings and the SIPA Proceeding; (iv) a listing of the orders granting the Debtors’ omnibus objections to claims, detailing the affected claims by claim number; (v) a case calendar; and (vi) answers to frequently asked questions, available in several foreign languages. The Committee Website also acts as a critical pathway for the dissemination of information between Milbank and the Debtors’ creditors. For example, the Committee Website permits creditors to register to receive monthly reports and to submit inquiries directly to Milbank, as to which Milbank works in collaboration with the Debtors’ counsel (as required by the Creditor Information Protocol) to provide responses.

35. During the Sixth Interim Compensation Period, Milbank continued to expend substantial time maintaining the Committee Website. In addition, hundreds of creditors contacted Milbank via the Committee Website and telephonically with questions concerning the Chapter 11 Cases, and, more specifically, inquiries concerning the proposed treatment of certain

claims under the Debtors' Plan. In accordance with the Creditor Information Protocol, Milbank reviewed and responded to all such creditor inquiries.

36. During the Sixth Interim Compensation Period, Milbank also continued to spend considerable time working with each of the *ad hoc* groups that formed during the Chapter 11 Cases to advance the objectives of various creditor constituencies, to assist such groups' understanding of the issues in the Chapter 11 Cases, and to negotiate resolutions of disputed issues. Milbank also continued, at the Court's direction, to act as an information "liaison" between the Debtors, these *ad hoc* groups, and other creditors on a frequent basis.

F. Communications with Debtors

37. During the Sixth Interim Compensation Period, Milbank continued its frequent communication and exchange of correspondence with the Debtors' counsel regarding, among numerous other issues, case administration, responses to pleadings, issues related to the Debtors' Plan, negotiations with the administrators and trustees (the "Foreign Administrators") managing the affairs of the numerous proceedings (the "Foreign Proceedings") initiated by or against Lehman's affiliates in countries outside of the U.S. (the "Foreign Affiliates"), substantive consolidation, claims based on purported guarantees issued by LBHI of its affiliates' obligations (the "Guarantee Claims") and negotiations with the aforementioned *ad hoc* groups. Further, Milbank prepared for and attended in-person meetings with the Committee members, the Debtors, and their respective professionals to, among other things, discuss the ongoing administration of and long term strategy for the Chapter 11 Cases, and in particular, the Debtors' Plan and LAMCO.

G. LBI/SIPC Coordination and Issues

38. During the Sixth Interim Compensation Period, in an effort to keep the Committee apprised of the status of the claims reconciliation process in the SIPA Proceeding, Milbank researched and drafted memoranda on the SIPA Trustee's various motions to uphold certain claims determinations and the SIPA Trustee's related motion to expunge foreign exchange claims. Furthermore, Milbank also reviewed the SIPA Trustee's Interim Reports and worked with the Committee's financial advisor, FTI Consulting, Inc. ("FTI") to analyze customer and general estate claims filed against LBI's estate, project recoveries for such claims and analyze the impact this could have on the Debtors' recoveries.

39. As part of its ongoing analysis of the Debtors' claims against LBI, Milbank continued to research the legal standards for the enforceability of intercompany subordination agreements. In that connection, Milbank drafted a memorandum to the Committee analyzing the enforceability of certain subordination agreements entered into between LBI and certain of the Debtors, and the effect of such agreements on the Debtors' claims.

40. Milbank also monitored the docket of the SIPA Proceeding, summarized all significant motions for the Committee's benefit, and, where Debtor estate interests might be implicated, filed pleadings and attended the hearings relating to such motions. In this connection, Milbank spent considerable time analyzing the Court's decision to overrule the Fifth Third Structured Large Cap Plus Fund claim objection and the implications of that decision on other of the SIPA Trustee's determinations of claims.

41. Finally, Milbank reviewed the numerous stipulations entered into between LBI and other parties, such as Zurcher Kantonalbank, Comvest, Bank Polska, and

Bank Pakeo, regarding the closing out of certain prepetition transactions as part of the winddown of LBI's business. During the Sixth Interim Compensation Period, the SIPA Trustee closed out twenty transactions, resulting in \$794,880,000 being paid into the LBI estate.

H. Employee/ERISA/Benefits/Pension Issues

42. During the Sixth Interim Compensation Period, Milbank devoted substantial time to researching, analyzing and communicating with the Debtors' counsel with respect to certain administrative and judicial proceedings (the "UK Pension Proceedings") in the United Kingdom ("UK") related to the Debtors' obligations to fund the Lehman Brothers Pension Scheme (the "Pension Scheme"), sponsored by Lehman Brothers Limited. The UK Pensions Regulator commenced the UK Pension Proceedings against LBHI and certain of its non-Debtor affiliates based on a purported funding shortfall in the Pension Scheme, and ultimately issued a "financial support directive" imposing liability on, *inter alia*, LBHI with respect to this shortfall. The Debtors thereafter (i) appealed the administrative ruling to issue the financial support directive against LBHI and its non-Debtor affiliate Lehman Brothers Asset Management, LLC in respect of the Pension Scheme; and (ii) joined the UK Pensions Regulator as a respondent in a separate case involving the treatment of pension-related liabilities under UK insolvency laws.

43. In this connection, Milbank reviewed the relevant documentation, researched applicable laws, and regularly discussed the proceedings with Debtors. In addition, Milbank periodically updated the Committee as to the status of the UK Pension Proceedings, and reported to the Committee on the stipulation entered into among LBHI, as trustee of the Pension Scheme, the Board of the Pension Protection Fund and the UK Pensions Regulator regarding the determination of LBHI's liability under the Pension Scheme.

I. Tax Issues

44. During the Sixth Interim Compensation Period, Milbank devoted substantial time to analyzing and evaluating federal, state, local, and international tax issues relating to the Debtors' estates. A subcommittee (the "Tax Subcommittee") convened, as necessary, to address the myriad tax issues arising in the Chapter 11 Cases. In addition to attending meetings of the Tax Subcommittee, Milbank participated in the Committee's weekly telephonic meetings to (i) inform the Committee of significant tax matters (e.g., the structure of the Debtors' Plan, the status and substance of the Debtors' planned private letter ruling request from the Internal Revenue Service ("IRS") and related filings); (ii) obtain Committee input as to certain tax matters (e.g., the sale of Real Estate Mortgage Investment Conduits ("REMICs") held by Lehman Pass Through Securities Inc. and LBI, and the approval of the Debtors' settlements with the IRS and Department of Justice); and (iii) ascertain information that may be relevant to the tax analysis (e.g., recovery projections, ongoing activities that may give rise to tax and substantive consolidation discussions, and business and derivative settlements).

45. Milbank also participated in weekly conferences with the Debtors' in-house tax department and the Debtors' tax litigation counsel, Bingham McCutcheon LLP and the Debtors' bankruptcy tax counsel, Weil Gotshal & Manges LLP, to discuss (i) the Debtors' ongoing business activities; (ii) the Debtors' tax compliance activities and preparedness; (iii) discussions and negotiations with the IRS, the Department of Justice, and state and local taxing authorities concerning tax audits by, and contests and settlement discussions with, those authorities; (iv) discussions with LBI's tax counsel, Hughes Hubbard & Reed LLP; (v) strategies for obtaining a ruling from the IRS regarding the tax consequences of the Debtors' Plan; and (vi) any miscellaneous matters materially related to the Debtors' tax positions.

46. Milbank also reviewed, researched, and analyzed (i) tax issues related to the disposition of certain Debtors' assets; (ii) tax consequences to Lehman Pass Through Securities Inc. and LBI holding or disposing of REMIC residual interests; (iii) the Debtors' federal, state, local, and international tax exposures and potential refund claims; (iv) transactions subject to the ongoing IRS audit of the Debtors' estates, including foreign tax credit claims (e.g., "Goodspeed" and "Stock Loan" transactions) and LBI promoter audits; (v) activities of certain creditors relating to the motions and orders to restrict trading of equity and debt claims of the Debtors; (vi) tax allocation issues among the Debtors, non-Debtor affiliates, and LBI; (vii) the Debtors' use of net operating losses, including the effect new legislation would have on the Debtors' alternative minimum tax position; (viii) the effect of state and local tax laws and the potential impact of tax provisions in proposed legislation on the Debtors' estates; and (ix) structural issues related to the Debtors' Plan.

47. In addition, Milbank, on the Committee's behalf, intervened in the Debtors' suit for a tax refund relating to its 1999 and 2000 tax years and undertook activities associated with preparing to represent the Committee's interests in that litigation.

48. Finally, Milbank researched, prepared legal memoranda, and corresponded with the Debtors regarding (i) the potential exposure for significant tax liabilities related to the ownership of REMIC residual interests; (ii) the priority of various tax claims against the Debtors; (iii) the offset of tax overpayments against tax penalties; (iv) tax allocation rules related to the Debtors' right to contribution by subsidiaries; (v) the status of a controlled foreign corporation when placed in receivership; and (vi) potential withholding tax claims against the Debtors for pre- and post-petition dates.

J. Other General Business Operation Issues

49. During the Sixth Interim Compensation Period, Milbank continued reviewing and analyzing the myriad issues in connection with potential business plans for the Debtors. In the Fifth Interim Compensation Period, the Court had approved the formation and documentation of an asset management company for the Debtors, LAMCO. Since that time, Milbank has continued to work in tandem with the Committee's financial advisors to oversee LAMCO's management of the Debtors' assets. In addition, Milbank, together with the Committee's financial advisors, reviewed and commented on the Debtors' proposed business plan for LAMCO and held various meetings with the Debtors to discuss the same.

K. Intercompany Issues

50. During the Sixth Interim Compensation Period, Milbank expended considerable time investigating matters related to intercompany obligations. Most significantly, Milbank devoted substantial resources to analyzing the treatment of the intercompany claims between LBHI and Lehman Brothers Treasury Co. B.V. ("LBT") and LBHI and Lehman Brothers Securities N.V. under the Debtors' Plan and their potential impact on creditor recoveries.

51. Milbank also worked with FTI to conduct an in-depth analysis of the intercompany claims between LBHI and its domestic affiliates. Milbank researched the treatment of intercompany claims under the Debtors' Plan, and the theories to enforce or object to such claims. In that connection, Milbank researched and drafted a memorandum to the Committee on the legal standards for re-characterizing intercompany loans as equity and worked with FTI to analyze these standards in the context of the Debtors' intercompany transactions.

L. Real Estate Matters

52. As reflected in the First Interim Fee Application, due to the size, complexity and potential for exposure of the Debtors' real estate portfolio, the Committee established a subcommittee (the "Real Estate Subcommittee") to evaluate issues relating to the Debtors' extensive real estate portfolio. During the Sixth Interim Compensation Period, the Real Estate Subcommittee continued to hold regular meetings to address and make recommendations to the Committee with regard to issues related to the Debtors' real estate holdings in discrete assets (e.g., Atlas Capital, Archstone, Ballpark, Heritage Fields, High Street Capital, Hilton, Innkeepers, Kapalua, Moonlight Basin, One Federal Plaza, Palmdale, RACERS, Rosslyn, SunCal, 200 Fifth Avenue, 695 E. Main Street, 1107 Broadway) and work with the Debtors under previously approved protocols to attempt to maximize the value of the Debtors' real estate assets.

53. The Debtors' real estate portfolio includes commercial, residential and corporate interests in which the Debtors hold both debt and equity positions, often in the form of joint ventures to develop large commercial projects. Milbank continued to work closely with the Committee's financial advisors to assess whether the Debtors should continue to meet various funding obligations, and also reviewed and commented on the terms of the Debtors' proposed restructurings of their debt facilities. In connection therewith, Milbank continued to review the Debtors' rights, obligations and exposures relative to joint venture partners, borrowers, senior secured lenders, unsecured creditors and other third parties in order to further analyze the potential consequences of the proposed restructurings or failures to fund capital calls. Milbank also continued to participate in the consensual resolution of several outstanding real estate related motions.

54. During the Sixth Interim Compensation Period, Milbank researched and drafted memoranda in connection with certain real estate matters and prepared and filed several pleadings in connection with real estate transactions requiring Court approval. Furthermore, Milbank monitored legal proceedings throughout the United States and abroad related to the Debtors' real estate assets.

55. **SunCal**. SunCal is a collection of large-scale residential and commercial real estate projects in California. Prior to the Petition Date, Lehman ALI, Inc., LCPI and certain other non-Debtor affiliates of LBHI provided debt financing for the SunCal projects totaling over \$2 billion. As a result of its financial difficulties, SunCal became a debtor-in-possession (collectively, the "**SunCal Debtors**") in voluntary and involuntary chapter 11 cases in California (the "**SunCal Cases**"). During the Sixth Interim Compensation Period, in response to the plan of reorganization filed by the SunCal Debtors that sought to equitably subordinate LCPI's claims and avoid LCPI's liens on the SunCal project, Lehman filed a competing plan of reorganization in the SunCal Cases. In that connection, Milbank reviewed and revised various drafts of the plan of reorganization, the disclosure statements and other related pleadings. Milbank also attended meetings with the Committee's financial advisors and the Debtors' advisors in connection with the restructuring proposal contained in Lehman's plan. Finally, Milbank attended hearings in California and New York in connection with the SunCal Cases and provided reports to the Real Estate Subcommittee and the Committee on the foregoing.

56. **Heritage Fields**. Heritage Fields is a 3,723-acre master plan development in Irvine, CA to which LBREM II, L.P. provided debt financing (the "**Heritage Fields Project**") prior to the Petition Date. During the Sixth Interim Compensation Period, Milbank spent time considering and evaluating a proposed settlement involving Heritage Fields,

State Street Corporation, LBREM REIT Holdings, LLC, PCCP, LLC, and other parties in interest. The proposed settlement aimed to resolve all disputes regarding the Heritage Fields Project, including the sale of the Debtors' interests in the project. Milbank also evaluated funding requests related to Heritage Fields, which were designed to ensure that the Heritage Fields Project would have the sufficient capital to continue its operations until the parties involved could finalize a settlement agreement. As a result of this evaluation, Milbank drafted and filed, on the Committee's behalf, a statement in connection with the Debtors' motion to approve the proposed settlement, which was subsequently adjourned, and the Debtors' motion to approve the funding requests [Docket No. 10746], which was granted.

57. **Innkeepers.** Innkeepers USA Trust ("Innkeepers") is a company that owns hotel properties throughout the US. Prior to the Petition Date, Lehman ALI, Inc. provided a \$220,200,000 floating rate loan to Innkeepers collateralized by twenty-one hotel properties. As a result of its financial difficulties, Innkeepers filed for bankruptcy during the Sixth Interim Compensation Period. Milbank, along with the Committee's financial advisors, carefully evaluated the strategic options available to the Debtors with respect to Innkeepers. In connection therewith, Milbank reviewed and commented on a plan term sheet, a plan support agreement, a debtor in possession financing agreement and related pleadings. At the request of the Committee, Milbank drafted and filed a statement in support of the Debtors' motion seeking authority to enter into the aforementioned plan support agreement and related transactions [Docket No. 10771], which motion the Court subsequently approved. Milbank also attended hearings in connection with the debtor-in-possession financing motion and the motion seeking approval of the plan support agreement. Milbank has continued to monitor the Innkeepers'

chapter 11 cases and evaluate strategic options available to the Debtors in connection with Innkeepers.

M. Private Equity

58. As reflected in the First Interim Fee Application, the Committee established a subcommittee (the “Private Equity Subcommittee”) to monitor and evaluate developments with respect to the Debtors’ private equity assets. During the Sixth Interim Compensation Period, the Private Equity Subcommittee held a meeting and continued to review specific issues surrounding the Debtors’ portfolio of private equity assets and formulate protocols with the Debtors to maximize the value of such portfolios. Milbank worked closely with the Debtors, and the Debtors’ professionals regarding these assets.

N. Derivatives Issues

59. As reflected in the First Interim Fee Application, the Committee established a subcommittee (the “Derivatives Subcommittee”) to evaluate issues and develop value maximizing strategies relating to the Debtors’ valuable derivatives portfolio. During the Sixth Interim Compensation Period, Milbank continued to conduct regular (at least weekly) meetings with the Derivatives Subcommittee to address and, where appropriate, make recommendations to the Committee in respect of specific issues concerning the Debtors’ portfolio of derivatives positions.

60. **Derivatives ADR.** On September 17, 2009, this Court entered an order approving the Debtors’ Motion Pursuant to Section 105(a) of the Bankruptcy Code and General Order M-143 for Authorization to Implement Alternative Dispute Resolution Procedures for Affirmative Claims of Debtors Under Derivative Contracts (the “Derivatives ADR Order”), pursuant to which the Committee, the Debtors and derivatives counterparties mediate disputes

arising from the closing out of the Debtors' "in-the-money" derivatives portfolio. During the Sixth Interim Compensation Period, Milbank continued to work closely with the Debtors to review and respond to the counterparty notices filed under the Derivatives ADR Order, and to evaluate settlement proposals under the alternative dispute resolution process. In addition, Milbank participated and continues to participate actively in such mediations. In preparation for each such mediation, Milbank conducted extensive legal and factual research on the issues in dispute and, where appropriate, drafted memoranda to the Committee describing such issues and seeking approval of settlement amounts.

61. **Derivatives Litigation.** Milbank also continued to address issues related to, and provided recommendations on, derivatives matters, including the highly complex derivatives-related adversary proceedings commenced by the Debtors to recover the Debtors' "in-the-money" positions in various derivatives transactions. To that end, Milbank devoted substantial resources to analyzing derivatives contracts and other related transaction documents, monitoring and participating actively in the derivatives-related adversary proceedings, communicating with the Debtors' counsel and the Committee's financial advisors, and developing and evaluating strategies to monetize complicated derivatives transactions for the benefit of unsecured creditors of each of the Debtors' estates. Milbank expended considerable time summarizing such analyses and recommendations in numerous memoranda to the Committee.

62. In particular, Milbank developed innovative legal theories and collaborated with the Debtors to draft and file over fifty adversary complaints alleging various causes of actions, including avoidable transfers and violations of the automatic stay, arising from the Debtors' derivatives transactions to recover billions of dollars for the benefit of the

Debtors' estates. Milbank also devoted substantial resources to researching and analyzing the issues presented in the appeal of the contested matter involving Swedbank AB ("Swedbank") and its purported right to setoff funds the Debtors had on deposit with Swedbank against receivables stemming from certain prepetition derivatives contracts between Swedbank and LBHI and Swedbank and certain affiliates of LBHI. In that connection, Milbank conducted extensive research into US and UK law regarding setoff rights and prepared and filed an appellate brief in support of the Debtors' position.

63. In addition, Milbank paid considerable attention to certain adversary proceedings, each of which raised novel issues of law. In preparation for the representation of the Committee in certain of the derivatives-related adversary proceedings in which the Committee had intervened, Milbank researched complex legal issues related to, among other things, the treatment of derivative contracts in bankruptcy. Such research and analysis played an essential role in the development of strategies to recover amounts due to the Debtors in disputed derivatives transactions for the benefit of unsecured creditors of each of the Debtors' estates.

64. Finally, Milbank continued to take an active role in the adversary proceeding involving BNY Corporate Trustee Services Limited. Milbank expended considerable time and resources researching and analyzing issues of first impression presented in the appeal of the Court's determination of the same.

O. Loans/Investments

65. As reflected in the First Interim Fee Application, the Committee established a subcommittee (the "Loan Book Subcommittee") to review and analyze matters related to the Debtors' loan book. During the Sixth Interim Compensation Period, the Loan

Book Subcommittee reviewed several structured finance vehicles established by the Debtors, including: (i) a collateralized loan obligation with Pine CCS, Ltd. (“Pine”) as the issuer; (ii) a collateralized loan obligation with Spruce CCS Ltd. (“Spruce”) as the issuer; (iii) a collateralized loan obligation with Verano CCS Ltd. (“Verano”) as the issuer; and (iv) a statutory trust, Restructured Asset Securities with Enhanced Returns Series 2007-7-MM Trust (the “RACERS MM Trust”).

66. Milbank reviewed and analyzed the governing documents of Pine, Spruce and Verano and reviewed the transfers of cash, notes and other assets to determine if there were any applicable avoidance actions in connection with the bankruptcy. In connection with the RACERS MM Trust, LBHI and LCPI filed a motion with the bankruptcy court seeking to terminate and/or amend certain of the governing documents and remove U.S. Bank National Association as Indenture Trustee, Owner Trustee, Custodian and Administrator & Paying Agent for the RACERS MM Trust. Milbank reviewed the motion and advised the Committee regarding the effects the proposed actions would have on the unsecured creditors.

67. Additionally, Milbank continued to work with the Committee’s financial advisors to analyze and present the legal and financial implications of the Debtors’ loan book transactions to the Loan Book Subcommittee in order to facilitate its recommendations and responsive courses of action to the full Committee. To that end, the Loan Book Subcommittee convened meetings to discuss and formulate recommendations regarding all outstanding loan book matters.

P. Domestic Bank and Related Regulatory Issues

68. During the Sixth Interim Compensation Period, Milbank continued to expend considerable time in connection with Woodlands Commercial Bank and Aurora Bank

FSB (together, the “Banks”), which are overseen by the Office of Thrift Supervision (the “OTS”) and the Federal Deposit Insurance Company (the “FDIC,” together with the OTS, the “Regulators”). Throughout the Chapter 11 Cases, the Debtors’ and Committee’s professionals have sought to improve the capital levels at each of the Banks to satisfy regulatory requirements, avoid potential seizures and liquidations by the Regulators, and facilitate the resumption of depository functions at the Banks to preserve and maximize value. Accordingly, Milbank continued to work closely with the Debtors and their professionals in attempting to structure solutions to the various issues confronting the Banks, including communicating with the Regulators to discuss the Banks’ alternatives and to negotiate a mutually acceptable solution to the Banks’ regulatory issues.

69. Milbank has taken, and continues to take, measures to ensure that the Banks are being properly managed to maximize their value for the Debtors’ estates and creditors. To that end, during the Sixth Interim Compensation Period, Milbank, among other things, continued to (i) analyze the claims of the Regulators against LBHI with respect to its obligations owed to the Banks; (ii) research precedent involving thrifts and defenses to claims brought by regulators regarding capital maintenance commitments of holdings companies under section 365(o) of the Bankruptcy Code; (iii) monitor issues regarding the proposed settlement agreement with the Regulators to resolve disputes arising out of a certain master forward agreement between LBHI and Aurora; and (iv) discuss with the Committee’s financial advisors and the Debtors’ advisors restructuring strategies for the Banks and approaches to resolving disputes with the Regulators.

70. Additionally, during the Sixth Interim Compensation Period, the Committee’s advisors worked closely with the Debtors and their advisors on finalizing the

terms of settlements with the Debtors and the Banks to achieve the approval of the Regulators to resume normal profit-generating banking and lending operations. On September 1, 2010, the Debtors filed the Debtors' Motion, Pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure and Section 363 of the Bankruptcy Code, for Approval of (I) A Settlement Agreement between the Debtors and Woodlands Commercial Bank and (II) Certain Related Relief, Including Authorization of (A) Certain Debtors to Make Capital Transfers and (B) LBHI to Enter Into a Capital Maintenance Agreement [Docket No. 11142], and the Debtors' Motion, Pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure and Section 363 of the Bankruptcy Code, for Approval of (I) a Settlement Agreement between the Debtors and Aurora Bank FSB Regarding the Master Forward Agreement and Other Matters and (II) Certain Other Related Relief, Including Authorization of (A) Certain Debtors to Make Capital Transfers, (B) LBHI to Enter Into a Capital Maintenance Agreement, and (C) LBHI to Extend the Duration of the Amended Repurchase Agreement and Financing Facility [Docket No. 11142] (together, the "Bank Settlement Motions"). Milbank spent considerable time analyzing and discussing with the Committee the terms of the settlements and the effect they would have on the potential recovery for creditors in the Chapter 11 Cases. In connection therewith, Milbank, on behalf of the Committee, drafted and filed with the Court a statement in support of the Bank Settlement Motions and the settlements contemplated thereby [Docket No. 11470], which were subsequently approved by the Court and finally executed on November 30, 2010.

Q. International Insolvency Matters

71. During the Sixth Interim Compensation Period, Milbank continued to monitor and analyze issues regarding the Foreign Proceedings, including, without limitation, the proceedings pending in (i) the UK; (ii) Hong Kong; (iii) Japan; (iv) the Netherlands; (v)

Switzerland; (vi) Germany; (vii) Australia; (viii) Singapore; (ix) the Philippines;
(x) Luxembourg; and (xi) Bermuda.

72. **Analysis of Foreign Proceedings, Claims and Discussions.** During the Sixth Interim Compensation Period, Milbank attorneys and paraprofessionals across various jurisdictions collaborated with each other, the Debtors' counsel, and the Foreign Administrators regarding the status of major issues, including the proposed settlements regarding the Debtors' Plan. Milbank also reviewed and analyzed status reports published by the Foreign Administrators and other publicly available information, specifically reviewing information related to asset recoveries and claims reconciliation. Based on such analyses, Milbank provided regular updates to the Committee regarding the status of the Foreign Proceedings and their impact on the Debtors and their creditors. Specifically, Milbank researched and prepared various memoranda for the Committee on topics relevant to the Foreign Proceedings in, *inter alia*, Australia, Hong Kong, Japan, the Philippines, Singapore, Switzerland, and the United Kingdom, including issues related to intercompany claims, guarantee claims and the treatment of such claims in the relevant jurisdictions.

73. In addition, Milbank continued to monitor compliance with and developments regarding that certain Cross-Border Insolvency Protocol for the Lehman Brothers Group of Companies (the "Protocol"), approved by the Court on June 17, 2009. In connection therewith, Milbank reported to the Committee on the developments at the meetings of the Protocol signatories held in London in June 2010 and Berlin in July 2010, in which Milbank participated. At the Protocol meetings, Milbank engaged with certain Foreign Administrators to understand their concerns regarding the Debtors' Plan and other issues in the Chapter 11 Cases. Milbank also engaged in discussions with the Debtors to facilitate potential settlements among

the Debtors and the Foreign Administrators. Furthermore, Milbank corresponded with the Foreign Administrators, reviewed their counterproposals to the Debtors' Plan, discussed such counterproposals with the Committee and evaluated potential resolutions of contested issues. In connection with each of the foregoing, Milbank regularly updated the Committee on the progress of negotiations with the Foreign Administrators.

74. Moreover, during the Sixth Interim Compensation Period, Milbank, among other activities, (i) researched and presented to the Committee an analysis of foreign jurisdictions in which LBHI's receivables would be subject to mandatory setoff; (ii) identified and analyzed various leverage points with respect to certain Foreign Affiliates and their claims to assist in the Debtors' negotiations with the respective Foreign Administrators; and (iii) analyzed applicable equitable subordination and avoidance laws in various relevant jurisdictions.

75. **Hong Kong Issues.** In September 2008, petitions were submitted by representatives of certain of the Foreign Affiliates in Hong Kong (collectively, the "**HK Debtors**")¹⁵ for the winding up of the HK Debtors pursuant to section 179(1) of the Hong Kong Companies Ordinance. During the Sixth Interim Compensation Period, Milbank continued to monitor the Hong Kong liquidation proceedings, reviewed relevant publicly available information, analyzed the status of and major issues arising in the proceedings, and prepared a memorandum and open issues list regarding the foregoing. In addition, Milbank conducted research regarding the HK Debtors and jurisdiction-specific laws, and their impact on the Debtors' interests.

¹⁵ The HK Debtors include: (i) Lehman Brothers Asia Holdings Ltd.; (ii) Lehman Brothers Asia Limited; (iii) Lehman Brothers Futures Asia Limited; (iv) Lehman Brothers Securities Asia Limited; (v) LBQ Hong Kong Funding Limited; (vi) Lehman Brothers Nominees (H.K. Limited); (vii) Lehman Brothers Asia Capital Company; and (viii) Lehman Brothers Commercial Corporation Asia Limited.

76. **Japan Issues.** The Tokyo District Court recently approved the Proposed Rehabilitation Plan to liquidate Lehman Brothers Japan, Inc. (“LBJ”), the principal Lehman operating entity in Japan. During the Sixth Interim Compensation Period, Milbank prepared a memorandum for the Committee explaining the status of LBJ’s rehabilitation proceeding and the effect of the Japanese proceedings on the Debtors and their creditors. In particular, Milbank evaluated the Debtors’ claims against Lehman Brothers Asia Holdings, which had the potential to be significantly impacted by LBJ’s rehabilitation proceeding. The Debtors also hold significant claims against Sunrise Financial Co. (“Sunrise”), a wholly owned subsidiary of LBJ. Accordingly, Milbank researched and drafted a memorandum analyzing how recovery levels with respect to the Debtors’ claims could be affected by the creditor recoveries projected in Sunrise’s proposed plan of rehabilitation.

77. **UK Issues.** LBIE, the Debtors’ principal trading company in the UK, along with several other British subsidiaries and affiliates of the Debtors, were placed into insolvency administration in the UK (the “UK Administration”), and the English High Court appointed PricewaterhouseCoopers, as joint administrators (the “Joint Administrators”). During the Sixth Interim Compensation Period, Milbank continued to monitor developments in the UK Administration, including reviewing the Joint Administrators’ published progress reports and monitoring various pending litigation matters in the UK. In connection therewith, Milbank and the Committee’s financial advisors prepared memoranda and presentations summarizing and analyzing financial and legal issues arising from the UK Administration. Milbank also provided English law advice in relation to, among other things, various swaps and derivatives transactions to which the Debtors are party. The foregoing items involved numerous internal telephone conversations, email communication and memoranda, as well as email

communication and conversations with the Committee's financial advisors and the Debtors' advisors. In addition, Milbank met with counsel for the Joint Administrators to discuss relevant issues and potential settlements affecting the Debtors.

78. In connection with its ongoing review of issues that arise in the UK Administration, Milbank, among other activities, (i) researched and drafted a memorandum to the Committee providing an overview of the application made by the Joint Administrators to the UK High Court for directions regarding the legal effects of an internal process of the Debtors applied to securities held in LBIE's "house" (*i.e.*, non-client) accounts, known as the Regulation and Administration of Safe Custody and Local Settlement; (ii) monitored the LBIE client money appeal in the UK High Court, and reported back to the Committee on the UK High Court judgment's impact on distributions out of the LBIE estate; (iii) continued to analyze various issues arising with respect to the claims of LBIE against the Debtors' estates; (iv) continued to monitor the Perpetual matter and the subsequent appeal of the UK Court of Appeal's ruling to the UK Supreme Court; and (v) researched English setoff laws in the context of receiverships and administrative receiverships for a supplemental appellate brief that the Committee filed in conjunction with the pending appeal from the Court's order enforcing the automatic stay against Swedbank and compelling Swedbank to pay the Debtors postpetition funds.

79. **German Bank Issues.** Lehman Brothers Bankhaus AG ("Bankhaus") is a wholly-owned subsidiary of LBHI that was placed into an insolvency proceeding by the Frankfurt Local Court (*Amtsgericht*) on November 13, 2008. On April 29, 2009, Bankhaus filed a petition with this Court for recognition of a foreign main proceeding under chapter 15 of the Bankruptcy Code. During the Sixth Interim Compensation Period, Milbank analyzed numerous issues relating to Bankhaus, including working with the Debtors and the Committee's

financial advisors to review the terms of the proposed settlement agreement with Bankhaus regarding the Debtors' Plan and legal issues arising in connection therewith.

80. As part of Milbank's ongoing analysis of the intercompany claims between Bankhaus and certain of the Debtors, Milbank, among other things, (i) drafted a motion to obtain access to records in Bankhaus' insolvency proceedings; (ii) researched and drafted a memorandum on regulatory capital requirements under German law; (iii) researched German regulatory requirements with respect to intra-group claims; and (iv) monitored the proceedings in the Frankfurt Regional Court (*Landgericht*), which ultimately dismissed the petition of the Joint Administrators of LBIE to (a) render information on the whereabouts of the client money; (b) repay \$1 billion plus interest under an alleged trust agreement, or, in the alternative, (c) pay \$1 billion plus interest for breach of the alleged trust agreement, or, in the further alternative, (d) acknowledge an insolvency claim in the amount of \$1 billion plus interest.

R. Non-Derivative Automatic Stay/Safe Harbor Issues

81. During the Sixth Interim Compensation Period, Milbank reviewed numerous motions filed by parties in interest seeking to lift the automatic stay to enforce various contractual agreements or otherwise exercise rights against the Debtors' estates, as well as motions filed by the Debtors seeking to enforce the automatic stay against parties that had violated the stay.

82. **SunCal**. Milbank reviewed and analyzed the Motion of the Chapter 11 Trustee of the SunCal Master Debtors for an Order Granting Relief from the Automatic Stay (the "SunCal Trustee's Motion") [Docket No. 9642] and in response thereto, filed with the Court, on behalf of the Committee, a joinder in the Debtors' objection to the SunCal Trustee's Motion (the "Joinder") [Docket No. 10121]. The Joinder concurred with the Debtors' view that

the SunCal Trustee failed to demonstrate that the automatic stay should be lifted pursuant to the factors enunciated by the Second Circuit in In re Sonnax Indus. Inc., 907 F.2d 1280 (2d Cir. 1990). In particular, the interests of judicial economy weighed strongly in favor of denying the SunCal Trustee's Motion. Adopting the reasoning set forth by the Debtors and the Committee, the Court ultimately denied the SunCal Trustee's Motion.

83. **Latshaw.** During the Sixth Interim Compensation Period, Milbank reviewed and analyzed the disputes among LCPI, Latshaw Drilling Company, LLC and Latshaw Drilling & Exploration Company (together, "Latshaw") regarding (i) an adversary proceeding in Latshaw's chapter 11 cases related to LCPI's claims against Latshaw for \$45,847,390.21 for amounts allegedly owed to LCPI under a prepetition credit agreement among the parties; and (ii) the Debtors' objection to Latshaw's \$47,540,482 claim against the Debtors' estates for LCPI's alleged failure to fund under that same credit agreement. In an effort to resolve their disputes, LCPI and Latshaw sought approval of a stipulation and agreement (the "Latshaw Stipulation") lifting the automatic stay in LCPI's chapter 11 case for the limited purpose of permitting Latshaw's objection to LCPI's claim against Latshaw in its chapter 11 cases pending before a court in Oklahoma (the "Latshaw Objection"). Milbank analyzed the Latshaw Objection and the Latshaw Stipulation, researched the "defensive" use of the automatic stay and worked with the Debtors to revise the Latshaw Stipulation to ensure that the Debtors' rights were protected and that their estates were not adversely affected. Milbank also drafted a memorandum for the Committee analyzing the terms of the Latshaw Stipulation and the Latshaw litigation in Oklahoma and the impact of the foregoing on LCPI.

84. **Motions to Enforce the Automatic Stay.** Milbank also analyzed the Debtors' motions to enforce the automatic stay against various parties, including (i) Greenbrier

Minerals Holdings, LLC (“Greenbrier”); and (ii) the trustees of the UK Pension Scheme and the Board of the UK Pension Protection Fund. In each case, Milbank reviewed the Debtors’ motion, researched relevant legal issues, drafted a memorandum to the Committee analyzing the motion and providing a recommended course of action.

85. In particular, with respect to LCPI’s motion to enforce the automatic stay against Greenbrier [Docket No. 9729], Milbank reviewed the motion and Greenbrier’s response, and researched issues regarding the termination of membership interests under the Delaware Limited Liability Company Act and interpretation of the relevant provisions of Greenbrier’s operating agreement. On behalf of the Committee, Milbank drafted a statement in connection with LCPI’s motion [Docket No. 10148], although the hearing on the motion was subsequently adjourned.

86. Additionally, Milbank spent considerable time analyzing the Debtors’ motion to enforce the automatic stay against certain UK administrative bodies with respect to the UK Pension Proceedings [Docket No. 10834]. In particular, Milbank reviewed the motion and researched the underlying domestic and UK legal issues, including recent decisions directly affecting the proposed action of the UK Board of the Pension Protection Fund. Milbank worked with the Debtors’ counsel in reaching an agreement reflected in the stipulation and agreement allowing for limited relief from the automatic stay to continue portions of the UK Pension Proceedings in order to assess LBHI’s potential purview [Docket No. 11042]. On behalf of the Committee, Milbank filed a statement in support of the stipulation [Docket No. 11094].

S. Non-Derivative Executory Contracts/365 Issues

87. During the Sixth Interim Compensation Period, Milbank reviewed and analyzed pleadings filed with respect to the Debtors’ executory contracts, including motions by

certain of the Debtors' counterparties seeking to compel the respective Debtor to assume or reject a particular executory contract. Such review and analysis included legal research regarding the relief sought by such pleadings, analysis of the Debtors' rights and obligations under the applicable executory contracts, consultation with the Committee's financial advisors regarding the financial implications of the proposed treatment of the subject contracts, correspondence with the Debtors' legal and financial advisors regarding the financial context and implications of the proposed courses of action, and assessment of the potential impact on the Debtors' estates.

T. Plan of Reorganization/Plan Confirmation/Plan Implementation

88. After the filing of the Debtors' Plan and Disclosure Statement, Milbank, together with the Committee's financial advisors, continued its extensive review of the myriad issues involved in developing a confirmable plan of reorganization. Such analysis included the review of bankruptcy, corporate governance, pension, tax and structural issues, and the preparation and review of recovery scenarios. In connection therewith, Milbank, along with the Committee's financial advisors, regularly met with the Debtors and their advisors to discuss the proposed treatment of a variety of plan-related issues, including the preservation of net operating losses, substantive consolidation, intercompany claims and Guarantee Claims reconciliation, corporate governance, plan currency and claims between the Debtors and certain of the Foreign Affiliates.

89. Additionally, Milbank continued its work on a comprehensive analysis of substantive consolidation and the factors generally considered by courts when analyzing substantive consolidation. In preparing such analyses, Milbank conducted in-depth research on all reported cases discussing the doctrine of substantive consolidation and also undertook

extensive factual investigation on the issue, including document review and employee and creditor interviews. In connection therewith, Milbank, together with the Committee's financial advisors, also continued its analysis of the potential applicability of the principles articulated in such cases to the facts and circumstances of the Chapter 11 Cases. Milbank researched and drafted several comprehensive memoranda on substantive consolidation and its implications on the Debtors' estates, on a Debtor by Debtor basis, and made numerous presentations to the Committee with respect to the foregoing.

90. Finally, Milbank and Houlihan Lokey Howard & Zukin, the Committee's financial advisor, analyzed different scenarios that would serve to settle the issues of substantive consolidation and had numerous meetings with the Debtors and certain creditor groups with respect thereto. Specifically, the Committee individually met with the LBT Noteholder Group, the LBT Ad Hoc Group, The Baupost Group, the LBSF Ad Hoc Consortium of Claimholders and the LBSF Alliance to discuss each of their positions on substantive consolidation, the Debtors' Plan, and alternative proposals to settle certain issues that arose in connection with the Debtors' Plan, including domestic substantive consolidation and the treatment of the claim arising from the structured notes issued by LBHI and LBT.

U. Claims Analysis

91. **Claims Database.** Milbank continued, during the Sixth Interim Compensation Period, to expand and refine the database of the Debtors' and certain of the Foreign Affiliates' debt offering documents ("Database") that was created and developed during the First Interim Compensation Period. Milbank continued to use the Database to develop and present summary forensic capital structure information to the Committee and its advisors, as well as to answer individual queries from the Committee and the public about specific Lehman

debt instruments. The Database is used by Milbank and the Committee's financial advisors on a regular basis to determine and analyze the Debtors' and certain Foreign Affiliates' capital structures, review proofs of claim, establish a basis upon which to determine and validate claim amounts, and analyze substantive consolidation, intercompany, preference and other potential issues. Milbank continued to review and analyze the debt securities and guarantees of LBHI and its affiliates in order to expand the Database with respect to the structured notes issued by LBT and to address issues related to the Debtors' securities raised by the Committee. Access to the Database has proven invaluable to the Committee and its advisors, including with respect to the matters related to the claims reconciliation process and the Debtors' Plan.

92. **Capital Structure Issues.** Milbank also analyzed current and anticipated disputed topics relating to the Debtors' capital structure, including the treatment of the subordinated notes issued by LBHI under the governing documents as versus under the Debtors' Plan, the valuation of the structured notes issued by LBHI and LBT, and the structure of such notes.

V. Other Bankruptcy Motions and Matters

93. During the Sixth Interim Compensation Period, Milbank devoted substantial time to researching and evaluating potential claims on behalf of the Debtors' estates, including voidable transfer claims. Pursuant to section 546(a) of the Bankruptcy Code, the deadline for bringing avoidance actions is two years after the entry of the order for relief, which in this case was September 15, 2010. Due to this time limitation, Milbank conducted considerable diligence in connection with potential avoidance actions. In particular, Milbank continued working with the Debtors, the Debtors' counsel and advisors, the Committee's financial advisors, the Committee's conflicts counsel, the SIPA Trustee and the SIPA Trustee's

advisors, among other things, to (i) identify and analyze categories of pre and postpetition transfers potentially subject to avoidance and recovery; (ii) analyze the prepetition financial condition of the Debtors to determine whether the Debtors were insolvent and/or undercapitalized during any period for purposes of pursuing preference and constructive fraudulent transfer claims; (iii) investigate and analyze in greater depth particular transfers identified as potential avoidance targets; (iv) analyze potential legal issues that might arise in connection with the pursuit of any avoidance actions; and (v) develop potential litigation strategies.

94. Milbank analyzed various categories of potentially voidable transfers based on information provided by the Debtors' advisors and contained the Examiner's Report, including payments to insiders and vendors, and transfers made in connection with the treasury and trading activities of the Debtors. Milbank met and corresponded extensively with the Committee's financial advisors, and counsel and financial advisors to the Debtors and the SIPA Trustee to discuss various types of prepetition transfers made by the Debtors, the prepetition financial condition of the Debtors, various issues relating to the joint pursuit of avoidance actions by the Debtors and the SIPA Trustee and strategies for and mechanics of sending demand letters and tolling agreements to and/or filing complaints against transferees.

95. Milbank worked extensively with the Debtors' counsel and counsel to the SIPA Trustee in drafting demand letters and tolling agreements and developing lists of transferees to whom such demand letters and tolling agreements were sent prior to the deadline for bringing avoidance actions. Milbank also continued looking into particular transfers in which potential recoveries for the estates appeared to be substantial, and developed potential theories of recovery for such transfers. Through these analyses and discussions, Milbank

continued working with the Debtors to determine which transfers might create viable causes of action under avoidance and other theories and which transfers could be eliminated from further consideration.

96. Milbank also continued assessing the financial condition of the Debtors prior to the Petition Date for purposes of preference and constructive fraudulent transfer causes of action. In that connection, Milbank (i) engaged in discussions and correspondence with the Debtors' counsel regarding the Debtors' prepetition financial condition and (ii) worked extensively with the Committee's financial advisors in developing work plans to coordinate with the Debtors' professionals in assessing the Debtors' financial condition.

97. Milbank engaged in extensive research with respect to factual and legal issues with respect to potential avoidance actions and prepared memoranda and presentations to the Committee in connection therewith. In particular, Milbank researched and analyzed, among other things, issues such as the general mechanics and legal bases of avoidance actions, potential recoveries resulting from avoidance actions, legal defenses to avoidance actions, potentially safe harbored transfers, collateral legal risks of pursuing certain avoidance actions, Committee standing to pursue avoidance actions and other legal issues that might arise in connection with particular categories of prepetition transfers.

W. Non-Derivative Adversary Proceedings Preparation and Litigation

98. During the Sixth Interim Compensation Period, Milbank researched and prepared memoranda regarding the claims and issues raised by a wide range of pending lawsuits and potential settlements impacting the Debtors' estates. Milbank also held teleconferences and meetings, both internally and with the Debtors and their advisors, with regard to the foregoing and provided regular updates to the Committee.

99. More specifically, with the exception of cases in which the Committee's interests are represented by the Committee's conflicts counsel, Milbank monitored developments in (i) all pending adversary proceedings commenced in this Court; (ii) lawsuits commenced prepetition against the Debtors and pre and post-petition against non-Debtor affiliates, officers, directors, and related parties; (iii) litigation issues similar to those raised or to be raised in the Chapter 11 Cases; and (iv) contested matters in the Chapter 11 Cases. When appropriate and directed by the Committee, Milbank intervened in such matters on the Committee's behalf. In connection with the monitored proceedings, Milbank reviewed and analyzed proposed settlement agreements and advised the Committee regarding the same.

X. 2004 Issues

100. During the Sixth Interim Compensation Period, Milbank reviewed and analyzed discovery requests and stipulations filed by various parties in interest, such as Intel Corporation and Rosslyn Investors I, LLC. Milbank also researched potential targets of Rule 2004 discovery by the Committee and drafted pleadings and correspondence in connection with such potential discovery.

Y. Examiner Issues

101. During the Sixth Interim Compensation Period, Milbank reviewed, analyzed, and conducted legal research in connection with the Examiner's Motion for Order Discharging Examiner and Granting Related Relief [Docket No. 9361], filed on June 2, 2010 (the "Discharge Motion"), and assessed its potential implications for the Committee. Milbank also reviewed drafts of the proposed order granting the Discharge Motion and collaborated with counsel for the Debtors to submit proposed revisions to the proposed order. After entry of the

order discharging the Examiner (the “Discharge Order”), Milbank continued to review requests for information from the Examiner and other correspondence relating to the Discharge Order.

Z. Firm’s Own Billing/Fee Applications

102. During the Sixth Interim Compensation Period, Milbank reviewed the Fee Statements for, among other purposes, compliance with the Interim Compensation Order, the Local Guidelines and the Fee Committee Guidelines. Milbank also prepared and served its Fee Statements and its Fifth Interim Fee Application on all parties as required by the Interim Compensation Order.

103. In connection with the appointment of the Fee Committee, during the Sixth Interim Compensation Period, Milbank reviewed and analyzed matters related to the Fee Protocol, and regularly corresponded with the members of the Fee Committee and the other professionals retained in the Chapter 11 Cases regarding such matters. Additionally, Milbank continued to work cooperatively with the Fee Committee to settle certain outstanding issues identified in the Fee Committee reports pertaining to the retained professionals’ fourth and fifth interim fee applications.

AA. Third Party Retention/Fee Application/Other Issues

104. During the Sixth Interim Compensation Period, Milbank reviewed the retention applications of Dechert, LLP; Sonnenschein, Nath & Rosenthal, LLP; Paul, Hastings, Janofsky & Walker, LLP; Momo-o, Matsuo & Namba, and others, as certain of these professionals originally retained as ordinary course professionals pursuant to the Court’s Order Pursuant to Sections 105(a), 327, 328 and 330 of the Bankruptcy Code Authorizing the Debtors to Employ Professionals Utilized in the Ordinary Course of Business, dated November 5, 2008

(the “OCP Order”) [Docket No. 1394], exceeded the \$1 million cap on fees during the pendency of the Chapter 11 Cases established in the OCP Order.

105. Milbank also reviewed the monthly fee statements received from other professionals pursuant to the Interim Compensation Order. Finally, Milbank assisted in the filing and service of the fifth interim fee applications of other Committee professionals.

IV.

ALLOWANCE OF COMPENSATION

106. The professional services rendered by Milbank have required a high degree of professional competence and expertise to address, with skill and dispatch, the numerous issues requiring evaluation and action by the Committee. The services rendered to the Committee were performed efficiently, effectively and economically, and that the results obtained to date have benefited not only the members of the Committee, but also the unsecured creditors of each of the Debtors’ estates.

107. The allowance of interim compensation for services rendered and reimbursement of expenses in bankruptcy cases is expressly provided for in section 331 of the Bankruptcy Code:

Any professional person . . . may apply to the court not more than once every 120 days after an order for relief in a case under this title, or more often if the court permits, for such compensation for services rendered . . . as is provided under section 330 of this title.

11 U.S.C. § 331.

108. With respect to the level of compensation, section 330(a)(1)(A) of the Bankruptcy Code provides, in pertinent part, that the Court may award to a professional person, “reasonable compensation for actual, necessary services rendered.” Section 330(a)(3), in turn, provides that:

In determining the amount of reasonable compensation to be awarded to . . . [a] professional person, the court shall consider the nature, the extent, and the value of such services, taking into account all relevant factors, including –

- (A) the time spent on such services;
- (B) the rates charged for such services;
- (C) whether the services were necessary to the administration of, or beneficial at the time which the service was rendered toward the completion of, a case under this title;
- (D) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed;
- (E) with respect to a professional person, whether the person is board certified or otherwise has demonstrated skill and expertise in the bankruptcy field; and
- (F) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

11 U.S.C. § 330(a)(3).

109. The congressional policy expressed above provides for adequate compensation in order to continue to attract qualified and competent professionals to bankruptcy cases. In re Busy Beaver Bldg. Ctrs., Inc., 19 F.3d 833, 850 (3d Cir. 1994) (“Congress rather clearly intended to provide sufficient economic incentive to lure competent bankruptcy specialists to practice in the bankruptcy courts.”) (citation and internal quotation marks omitted); In re Drexel Burnham Lambert Group, Inc., 133 B.R. 13, 18 (Bankr. S.D.N.Y. 1991) (“Congress’ objective on requiring that the market, not the Court, establish attorneys’ rates was to ensure that bankruptcy cases were staffed by appropriate legal specialists.”).

110. In assessing the “reasonableness” of the fees requested, courts have looked to a number of factors, including those first enumerated by the Fifth Circuit in In re First

Colonial Corp. of America, 544 F.2d 1291, 1298-99 (5th Cir. 1977), and thereafter adopted by most courts.¹⁶ See In re Nine Assocs., Inc., 76 B.R. 943, 945 (S.D.N.Y. 1987) (adopting First Colonial/Johnson analysis); In re Cuisine Magazine, Inc., 61 B.R. 210, 212-13 (Bankr. S.D.N.Y. 1986) (same); see generally 3 Collier on Bankruptcy ¶ 330.04[3] (Lawrence P. King et al., eds., 15th rev. ed. 2009) (enumerating First Colonial and Johnson as the “leading cases to be considered in determining a reasonable allowance of compensation”). Milbank respectfully submits that the consideration of these so-called Johnson factors should result in this Court’s allowance of the full compensation requested.

- (A) The Time and Labor Required. The Debtors’ cases are among the largest, most complex and active bankruptcy cases ever filed. Accordingly, the professional services rendered by Milbank on behalf of the Committee have required the continuous expenditure of substantial time and effort, under time pressures which sometimes required the performance of services late into the evening and, on a number of occasions, over weekends and holidays. The services rendered required a high degree of professional competence and expertise in order to be administered with skill and dispatch.
- (B) The Novelty and Difficulty of Questions. Novel and complex issues have arisen in the course of these chapter 11 cases, and it can be anticipated that other such issues will be encountered. In these cases, as in many others in which the firm is involved, Milbank’s effective advocacy and creative approach to problem solving have helped clarify and resolve difficult issues and will continue to prove beneficial.
- (C) The Skill Requisite to Perform the Legal Services Properly. Milbank believes that its recognized expertise in the area of financial restructuring, its ability to draw from highly experienced professionals in other areas of its practice such as securities, structured products, asset divestiture, litigation, and regulatory law and its practical approach to the resolution of issues help maximize the distributions to the unsecured creditors of each of the Debtors.

¹⁶ The factors embraced by the Fifth Circuit in First Colonial were first adopted by the Fifth Circuit’s decision in Johnson v. Georgia Highway Express, Inc., 488 F.2d 714 (5th Cir. 1974), except that First Colonial also included the “spirit of economy” as a factor expressly rejected by Congress in enacting section 330 of the Bankruptcy Code. Stroock & Stroock & Lavan v. Hillsborough Holdings Corp. (In re Hillsborough Holdings Corp.), 127 F.3d 1398, 1403 (11th Cir. 1997). A majority of the First Colonial factors are now codified in section 330(a)(3). 3 Collier on Bankruptcy ¶ 330.04[3].

- (D) The Preclusion of Other Employment by Applicant Due to Acceptance of the Case. Due to the size of Milbank's financial restructuring department and the firm as a whole, Milbank's representation of the Committee has not precluded the acceptance of new clients. However, the number of matters needing attention on a continuous basis has required numerous Milbank attorneys, across multiple practice groups, to commit significant portions of their time to these cases.
- (E) The Customary Fee. The compensation sought herein is based upon Milbank's normal hourly rates for services of this kind. Milbank respectfully submits that the compensation sought herein is not unusual given the magnitude and complexity of these cases and the time dedicated to the representation of the Committee. Such compensation is commensurate with fees Milbank has been awarded in other cases, as well as with fees charged by other attorneys of comparable experience.
- (F) Whether the Fee is Fixed or Contingent. Milbank charges customary hourly rates, as adjusted annually, for the time expended by its attorneys and paraprofessionals in representing the Committee, and Milbank's fee is not outcome dependent.
- (G) Time Limitations Imposed by Client or Other Circumstances. As stated above, Milbank has been required to attend to various issues as they have arisen in these cases. Often, Milbank has had to perform these services under significant time constraints requiring attorneys and paraprofessionals assigned to these cases to work evenings and on weekends.
- (H) The Amount Involved and Results Obtained. The Committee represents the interests of unsecured creditors of each of the Debtors that, in the aggregate, hold unsecured claims estimated to be valued in the hundreds of billions of dollars, in what has been widely described as the largest chapter 11 case ever filed. The Committee's participation, with Milbank's counsel and guidance, has greatly contributed to the efficient administration and prospects for reorganization of these cases.
- (I) The Experience, Reputation and Ability of the Attorneys. Milbank has a sophisticated and nationally recognized corporate reorganization and financial restructuring practice, and Milbank attorneys involved in this representation have played a major role in numerous complex restructurings including, for example, the chapter 11 cases of Lyondell Chemical Company, Nortel Networks Inc., Capmark Financial Group Inc., Hayes Lemmerz International, Inc., DBSD North America, Inc., Refco, Inc., Enron Corp., TOUSA, Inc., Vicorp, Interstate Bakeries Corp., Winn-Dixie Stores, Inc., Fruit of the Loom Inc., Adelphia Communications Corp., Maxxim Medical Group, Inc., RCN Corp., US Airways Group, Inc., Global Crossing Ltd., Fleming Companies, Inc., Dairy Mart Convenience Stores, Inc., Lernout & Hauspie Speech Products N.V., Teligent, Inc., World Access, Inc., ORBCOMM Global, L.P., ICO Global Communications Inc., Safety-Kleen Corp., HomePlace Stores, Inc., Hvide Marine, Inc., Sun TV and Appliances, Inc., Seven-Up/RC Bottling Company of Southern California, Inc., and Ames

Department Stores, Inc. Milbank's experience enables it to perform the services described herein competently and expeditiously.

- (J) The "Undesirability" of the Case. These cases are not undesirable but, as already indicated, have required a significant commitment of time from many of Milbank's attorneys.
- (K) Nature and Length of Professional Relationship. Milbank was selected as the Committee's counsel shortly after the Committee's formation, on September 17, 2008, and was retained nunc pro tunc to that date pursuant to an order of the Court dated November 21, 2008. Milbank has been rendering services continuously to the Committee since the Committee was formed, and Milbank has rendered such services in a necessary and appropriate manner.

111. The total time spent by Milbank attorneys and paraprofessionals during the Sixth Interim Compensation Period was 32,959.00 hours and has a fair market value of \$18,359,367.75. As shown by this Application and supporting exhibits, Milbank's services were rendered economically and without unnecessary duplication of efforts. In addition, the work involved, and thus the time expended, was carefully assigned in consideration of the experience and expertise required for each particular task.

V.

EXPENSES

112. Milbank has incurred a total of \$792,924.64 in expenses in connection with representing the Committee during the Sixth Interim Compensation Period. Milbank records all expenses incurred in connection with the performance of professional services. A schedule of expenses by project billing category, as well as a summary of these expenses and detailed descriptions of these expenses, is annexed hereto as Exhibit "C."

113. In connection with the reimbursement of expenses, Milbank's policy is to charge its clients in all areas of practice for expenses, other than fixed and routine overhead expenses, incurred in connection with representing its clients. The expenses charged to Milbank's clients include, among other things, telephone and telecopy toll and other charges,

mail and express mail charges, special or hand delivery charges, photocopying charges, out-of-town travel expenses, local transportation expenses, expenses for working meals, computerized research and transcription costs.

114. Milbank charges the Committee for these expenses at rates consistent with those charged to Milbank's other bankruptcy clients, which rates are equal to or less than the rates charged by Milbank to its non-bankruptcy clients. Milbank seeks reimbursement from the Debtors at the following rates for the following expenses: (i) ten cents (\$0.10) per page for photocopying; (ii) fifty cents (\$0.50) for color copies; (iii) no charge for incoming facsimiles; (iv) toll charges only for outgoing facsimiles; and (v) an average of nineteen cents (\$0.19) per minute for long distance. Specifically, with respect to phone charges over \$100.00, such charges were accrued in connection with conference calls in which the Committee, the Debtors and/or other parties in interest participated.

115. In accordance with section 330 of the Bankruptcy Code, the Local Guidelines and the U.S. Trustee Guidelines, Milbank seeks reimbursement only for the actual cost of such expenses to Milbank.¹⁷ Additionally, Milbank has further limited and defined its expenses in accordance with the Fee Committee Guidelines.

116. In providing or obtaining from third parties services which are reimbursable by clients, Milbank does not include in such reimbursable amount any costs of investment, equipment or capital outlay.

117. Milbank regularly charges its non-bankruptcy clients for ordinary business hourly fees and expenses for secretarial, library, word processing and other staff

¹⁷ The cost of expenses Milbank is seeking reflects any discounted rates based on volume or other discounts which Milbank anticipates receiving from certain outside vendors; however, Milbank does not perform a retrospective reconciliation of any "year-end" adjustments (positive or negative) to the actual discounted cost of such expenses.

services because such items are not included in the firm's overhead for the purpose of setting the billing rates.

118. Attorneys at Milbank have not incurred expenses for luxury accommodations or deluxe meals. The Application does not seek reimbursement of air travel expenses in excess of coach fares. Throughout the Sixth Interim Compensation Period, Milbank has been keenly aware of cost considerations and has tried to minimize the expenses charged to the Debtors' estates.

VI.

NOTICE

119. Notice of this Application has been given to (a) the Debtors, (b) counsel for the Debtors, (c) the United States Trustee, and (d) the members of the Fee Committee.

VII.

CONCLUSION

WHEREFORE, Milbank respectfully requests the Court to enter an order conforming to the amounts set forth in Fee Schedule A(1) attached hereto as Exhibit "D" (i) allowing Milbank (a) interim compensation for professional services rendered as counsel for the Committee during the Sixth Interim Compensation Period in the amount of \$18,359,367.75 and (b) reimbursement of expenses incurred in connection with rendering such services in the aggregate amount of \$792,924.64, for a total award of \$19,152,292.39; (ii) authorizing and directing the Debtors to pay to Milbank \$3,660,533.38 which is an amount equal to the difference between (a) this \$19,152,292.39 award and (b) \$15,491,759.01, the total of all amounts that the Debtors have previously paid to Milbank pursuant to the Interim Compensation

Order for services rendered and expenses incurred during the Sixth Interim Compensation
Period; and (iii) granting such further relief as is just.

Dated: New York, New York
December 14, 2010

MILBANK, TWEED, HADLEY & M^cCLOY LLP

By: /s/ Dennis F. Dunne

Dennis F. Dunne
Evan R. Fleck
Dennis C. O'Donnell
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New York, New York 10005
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Counsel for Official Committee of Unsecured
Creditors of Lehman Brothers Holdings Inc., et al.

EXHIBIT A

Certification

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----	x	
	:	
In re:	:	Chapter 11 Case No.
	:	
LEHMAN BROTHERS HOLDINGS INC., <u>et al.</u> ,	:	08-13555 (JMP)
	:	
Debtors.	:	(Jointly Administered)
	:	
-----	x	

**CERTIFICATION UNDER GUIDELINES FOR FEES AND DISBURSEMENTS
FOR PROFESSIONALS IN RESPECT OF SIXTH APPLICATION OF MILBANK,
TWEED, HADLEY & M^cCLOY LLP, COUNSEL TO
OFFICIAL COMMITTEE OF UNSECURED CREDITORS, FOR INTERIM
ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED AND
FOR REIMBURSEMENT OF EXPENSES DURING PERIOD FROM
JUNE 1, 2010 THROUGH AND INCLUDING SEPTEMBER 30, 2010**

Pursuant to the Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases adopted by the Court on June 24, 1991 and amended April 21, 1995 (together, the “Local Guidelines”), and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330, adopted on January 30, 1996 (the “U.S. Trustee Guidelines” and, together with the Local Guidelines, the “Guidelines”), the undersigned, a member of the firm Milbank, Tweed, Hadley & M^cCloy LLP (“Milbank”), counsel to the Official Committee of Unsecured Creditors (the “Committee”) of Lehman Brothers Holdings Inc., Lehman Brothers Special Financing Inc., Lehman Brothers Commercial Paper Inc. and their affiliated debtors in possession in the above-captioned cases (collectively, the “Debtors”), hereby certifies with respect to Milbank’s sixth application for allowance of compensation for services rendered and for reimbursement of expenses, dated December 14, 2010 (the “Application”), for the period of

June 1, 2010 through and including September 30, 2010 (the “Sixth Interim Compensation Period”) as follows:

1. I am the professional designated by Milbank in respect of compliance with the Guidelines.
2. I make this certification in support of the Application, for interim compensation and reimbursement of expenses for the Sixth Interim Compensation Period, in accordance with the Local Guidelines.
3. In respect of section B.1 of the Local Guidelines, I certify that:
 - a. I have read the Application.
 - b. To the best of my knowledge, information and belief formed after reasonable inquiry, the fees and disbursements sought fall within the Guidelines.
 - c. Except to the extent that fees or disbursements are prohibited by the Guidelines, the fees and disbursements sought are billed at rates in accordance with practices customarily employed by Milbank and generally accepted by Milbank’s clients.
 - d. In providing a reimbursable service, Milbank does not make a profit on that service, whether the service is performed by Milbank in-house or through a third party.¹
4. In respect of section B.2 of the Local Guidelines, I certify that Milbank has provided statements of Milbank’s fees and disbursements previously accrued, by filing and serving monthly statements in accordance with the Interim Compensation Order (as defined in the Application), except that completing reasonable and necessary internal accounting and review procedures have at times precluded filing fee statements within the time periods established in the Interim Compensation Order.

¹ The cost of expenses Milbank is seeking reflects any discounted rates based on volume or other discounts which Milbank anticipates receiving from certain outside vendors; however, Milbank does not perform a retrospective reconciliation of any “year-end” adjustments (positive or negative) to the actual discounted cost of such expenses.

5. In respect of section B.3 of the Local Guidelines, I certify that copies of the Application are being provided to (a) the Court, (b) the Debtors, (c) counsel for the Debtors, (d) the Office of the United States Trustee, and (e) the members of the Fee Committee.

6. I certify that the Application for interim compensation and reimbursement of expenses for the Sixth Interim Compensation Period has been prepared in accordance with the Fee Committee Guidelines (as defined in the Application).

Dated: New York, New York
December 14, 2010

By: /s/ Dennis F. Dunne
Dennis F. Dunne

EXHIBIT B

Time Entry Records¹

¹ Due to the volume of the time and expense records, these materials are not being filed with the Court, but copies thereof have been delivered to (i) the Court; (ii) the United States Trustee; (iii) the Debtors; (iv) counsel for the Debtors; and (v) the members of the Fee Committee.

EXHIBIT C

Expenses¹

¹ Due to the volume of the time and expense records, these materials are not being filed with the Court, but copies thereof have been delivered to (i) the Court; (ii) the United States Trustee; (iii) the Debtors; (iv) counsel for the Debtors; (v) the members of the Fee Committee.

EXHIBIT D

Fee Schedule A(1)

CASE NO.: 08-13555 (JMP) (Jointly Administered)

CASE NAME: IN RE LEHMAN BROTHERS HOLDINGS INC., et al.

FIRST INTERIM FEE PERIOD SEPTEMBER 17, 2008 – JANUARY 31, 2009							
APPLICANT	DATE/DOCKET NO. OF APPLICATION	FEES REQUESTED	FEES ALLOWED (INCLUDING FEES HELD BACK)	FEES HELD BACK	FEES PAYABLE BY DEBTOR	EXPENSES REQUESTED	EXPENSES ALLOWED
Milbank, Tweed, Hadley & McCloy LLP	4/10/09 Docket No. 3337	\$12,132,376.00	\$12,062,428.50	\$1,213,237.60	\$1,143,247.54	\$668,388.72	\$668,346.18

SECOND INTERIM FEE PERIOD FEBRUARY 1, 2009 – MAY 31, 2009							
APPLICANT	DATE/DOCKET NO. OF APPLICATION	FEES REQUESTED	FEES ALLOWED (INCLUDING FEES HELD BACK)	FEES HELD BACK	FEES PAYABLE BY DEBTOR	EXPENSES REQUESTED	EXPENSES ALLOWED
Milbank, Tweed, Hadley & McCloy LLP	8/14/09 Docket No. 4821	\$16,829,521.00	\$16,233,210.42	\$1,682,952.10	\$1,371,217.28	\$1,019,754.61	\$1,006,175.08

THIRD INTERIM FEE PERIOD JUNE 1, 2009 – SEPTEMBER 30, 2009							
APPLICANT	DATE/DOCKET NO. OF APPLICATION	FEES REQUESTED	FEES ALLOWED (INCLUDING FEES HELD BACK)	FEES HELD BACK	FEES PAYABLE BY DEBTOR	EXPENSES REQUESTED	EXPENSES ALLOWED
Milbank, Tweed, Hadley &	12/14/09	\$10,881,540.00	\$10,689,053.40	\$1,088,154.00	\$795,598.60	\$583,803.10	\$483,734.30

FEE SCHEDULE A(1)

McCloy LLP	Docket No. 6203						
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FOURTH INTERIM FEE PERIOD OCTOBER 1, 2009 – JANUARY 31, 2010							
APPLICANT	DATE/DOCKET NO. OF APPLICATION	FEES REQUESTED	FEES ALLOWED (INCLUDING FEES HELD BACK)	FEES HELD BACK	FEES PAYABLE BY DEBTOR	EXPENSES REQUESTED	EXPENSES ALLOWED
Milbank, Tweed, Hadley & McCloy LLP	4/16/10 Docket No. 8432	\$13,595,778.50	\$12,908,822.79	\$1,359,577.85	\$6,211,791.04	\$451,410.54	\$404,795.38

FIFTH INTERIM FEE PERIOD FEBRUARY 1, 2010 – MAY 31, 2010							
APPLICANT	DATE/DOCKET NO. OF APPLICATION	FEES REQUESTED	FEES ALLOWED (INCLUDING FEES HELD BACK)	FEES HELD BACK	FEES PAYABLE BY DEBTOR	EXPENSES REQUESTED	EXPENSES ALLOWED
Milbank, Tweed, Hadley & McCloy LLP	8/16/10 Docket No. 10804	\$19,450,342.75	[] ¹	\$1,945,034.28	\$11,674,570.75	\$851,804.27	[]

SIXTH INTERIM FEE PERIOD JUNE 1, 2010 – SEPTEMBER 30, 2010							
APPLICANT	DATE/DOCKET NO. OF APPLICATION	FEES REQUESTED	FEES ALLOWED (INCLUDING FEES HELD BACK)	FEES HELD BACK	FEES PAYABLE BY DEBTOR	EXPENSES REQUESTED	EXPENSES ALLOWED
Milbank, Tweed, Hadley &	12/14/10	\$18,359,367.75 ²	[]	\$1,835,936.78	\$3,681,873.55	\$792,924.64	[]

¹ Due to recent developments relating to and ongoing discussions with the Fee Committee, no hearing has yet been scheduled with respect to the Fifth Interim Fee Application.

McCloy LLP	Docket No. []						
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² The amount requested on account of fees and expenses incurred by Milbank during the Sixth Interim Compensation Period was \$11,751.26 less than the sum of fees and expenses set forth in the Fee Statements served during the Sixth Interim Compensation Period.